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China to Shut Hong Kong Legislature On Day One

Courtesy of Our Staff From Dispatches

HONG KONG — China said Monday that it would abolish Hong Kong's legislative assembly on July 1, 1997, the day it resumes sovereignty over the British colony.

A Chinese government spokesman said the Legislative Council and other local government bodies would be disbanded and then "reorganized" under Chinese rule.

"This is an inevitable outcome of China's recovery of its sovereignty over Hong Kong and of Britain's termination of its rule over Hong Kong," said the spokesman for the Hong Kong and Macau Affairs office.

The threat widened a previous pledge to unseat elected members of the Legislative Council after the transition. It was the latest in a series of attacks on the colony's British administration and Governor Chris Patten, whose efforts to broaden democracy in Hong Kong before the handover are seen by Beijing as a threat to its eventual rule.

The statement, issued by the official Xinhua press agency, was a further blow to hopes in Hong Kong that elected officials would be able to keep their seats through the transition.

A Hong Kong government spokesman said the government would have to study the Beijing statement.

"One thing that is certain is that both the British and the Chinese governments have pledged to maintain the stability and prosperity of Hong Kong," the spokesman said.

"The approach outlined in the statement does not seem to be consistent with this important pledge," he said.

Mr. Patten has been the subject of a prolonged attack by Beijing since he announced a political reform package for Hong Kong 15 months ago.

China has accused him of breaching the spirit of the Joint Declaration, a 1984 treaty governing the transition of Hong Kong to Chinese rule and the Basic Law, a constitution for Hong Kong after the handover, as well as other bilateral accords on Hong Kong.

After the breakdown of Chinese-British talks on Hong Kong earlier this month after 17 rounds, Mr. Patten introduced to the Legislative Council a watered-down version of his package to widen democracy ahead of district elections in 1994 and Legislative Council elections the next year.

His unilateral move was condemned as "sabotage" by Beijing. China warned that the Legislative Council could be abolished because

See COLONY, Page 2



LOOKING FOR RELIEF — A Tokyo broker peering through binoculars at a quotation board. Most stock exchanges in Asia rose again Monday, and several set records, but the Japanese market showed no signs of breaking out of its four-year decline. Page 9.

A Japan Label Grows Scarce As Electronics Exports Slide

*By Andrew Pollack
New York Times Service*

TOKYO — Japan's production and exports of consumer electronic products are shrinking rapidly, the Electronics Industry Association of Japan says.

New figures show the nation is having difficulty retaining its manufacturing base for the consumer electronics products for which its industry is famous.

Even if giants like Sony and Panasonic continue to lead the world in such products, the "Made in Japan" label is becoming harder to find as manufacturing shifts to countries with lower wages.

Production in Japan of audio and video equipment fell 12.7 percent in 1993, the association estimated. It was the second consecutive double-digit annual decline.

The 1993 output of 3.28 trillion yen (\$29.64 billion) is the lowest since the early 1980s and only two-thirds the level of 1991. And consumer electronics exports, which fell 23.5 percent in the first nine months of the year, are less than half of what they were at their peak in 1985.

In its annual report on the state of Japan's electronics industry, the trade association painted a dismal picture of com-

See CHIPS, Page 12

Ford Throws A Lifeline To Troubled Mazda Motor

*By James Sterngold
New York Times Service*

TOKYO — With its losses mounting and its basic strategy gone awry, Mazda Motor Corp. made on Monday what would have been an unthinkable announcement for a major Japanese automaker just a few years ago: It said that it was ceding more control to its largest shareholder, the Ford Motor Co., and that it expected to rely on Ford to help shape its future.

Ford has owned nearly 25 percent of Mazda for 14 years, and the two have several ventures focusing on production of specific models. Like the Ford Probe and Mazda pickup trucks. But Monday's announcement appears to go far beyond the old arrangement.

The statement was at pains to quash speculation that a merger or major new investment by Ford in Mazda was in the cards. But, automotive analysts said, it hinted that Mazda was seeking a lifeline rather than an equal partner.

Mazda, which expects to suffer a loss of about 32 billion yen (\$289 million) in the business year ending March 31, said that Ford would increase the number of representatives on its board from four to seven members. Four of the seven members will be based in Japan and will help manage Mazda, a company that was expanding at a headlong pace in the late 1980s while Ford was racking up billions of dollars in losses.

One of the new Ford representatives, none of whom have yet been named, will become one of Mazda's three executive vice presidents. That person will be one of the handful of principal executives running the Japanese automaker and perhaps the most senior foreign executive at a major Japanese industrial company.

Although some in Tokyo interpreted the move as "a desperate bid for survival," as one television news program put it, analysts said it fell short of the large cash infusion that some had speculated Ford might make to shore up Mazda.

Mazda distinguished itself as the pioneer of an unusual rotary engine, but the autos that used the engine never gained broad acceptance and nearly bankrupted the company a decade ago. Today, the only export model that uses the so-called Wankel engine is the powerful RX-7.

Mazda has launched several sporty and streamlined models in recent years, including the once-popular Miata, but demand has weakened around the globe, leaving Mazda burdened with heavy expenses and overcapacity.

"Mazda's strategy has been mistaken recently, and this is a response to that," said Andrew Blair-Smith, the auto analyst in Tokyo for Barclays de Zoete Wedd Securities. "They overinvested in new models when the market was getting weak. Mazda's stock rallied today, but I think the market is still looking for a monetary commitment from Ford."

Mazda's stock rose 14 yen a share, to 398 yen.

See MAZDA, Page 10

Kantor Requests Talks on Chips

Reuters

WASHINGTON — Mickey Kantor, the U.S. special trade representative, called for emergency talks with Japan after a report Monday showed a sharp drop in its purchases of foreign semiconductors.

Mr. Kantor said the report that foreign producers had only an 18.1 percent share of Japan's market in the third quarter had raised "serious concerns" about the U.S.-Japanese semiconductor accord.

The accord called for Japan to buy 20 percent of its semiconductors from foreign companies in 1993. Mr. Kantor spoke after news that the figure for the third quarter had fallen to 18.1 percent, from 19.6 percent in the first quarter and 19.2 percent in the second period.

Bosnia's Collapse Is Jolt to Dream of a Multiethnic Europe

*By David B. Ottaway
Washington Post Service*

VIENNA — Across Europe and in the United States, scholars and analysts of the unsettled Balkans are watching anxiously these days for signs of a ripple effect from the pending dismemberment of Bosnia-Herzegovina into separate ministates ruled by Serbs, Muslims and Croats.

The consequences of European and American dithering about what action to take in Bosnia have touched off a crisis of self-confidence about the ability of European and transatlantic institutions to cope with the post-Cold War world.

No real consensus has emerged on the likely results of the West's acceptance of European border changes by force.

Still, after the refusal of the European Community and the United States to intervene militarily to preserve Bosnia, a kind of domino theory is developing that argues that the cost is bound to be more Bosnias down the road.

"The whole concept of a multiethnic Europe has been undermined," said Greece's deputy foreign minister, George Papandreu, during a recent Washington visit. "We're tearing apart what we've built over the last 50 years in Europe."

There is also a growing concern among Central European nations that the West's inaction will encourage a heavily armed, belligerent Serbia, unfettered by any arms-control agreements, to try to push around its neighbors.

The example of a Greater Serbia enlarged by military conquests could inspire other ultranationalist movements. A vocal nationalist movement in Hungary, for example, would like to see former Hungarian lands and ethnic minorities in Slovakia and Romania reincorporated into a Greater Hungary.

Even independent Serbian analysts, like Milos Vasic, a columnist for the opposition Belgrade weekly Vreme, warn that the Balkans

See RIPPLE, Page 2

U.S. Companies Bypassing Laws on Cuba and Libya

*By Dean Baquet
New York Times Service*

NEW YORK — Seizing on porous laws and lax enforcement, American corporations have used foreign subsidiaries to conduct business openly with Cuba and Libya, according to documents and interviews.

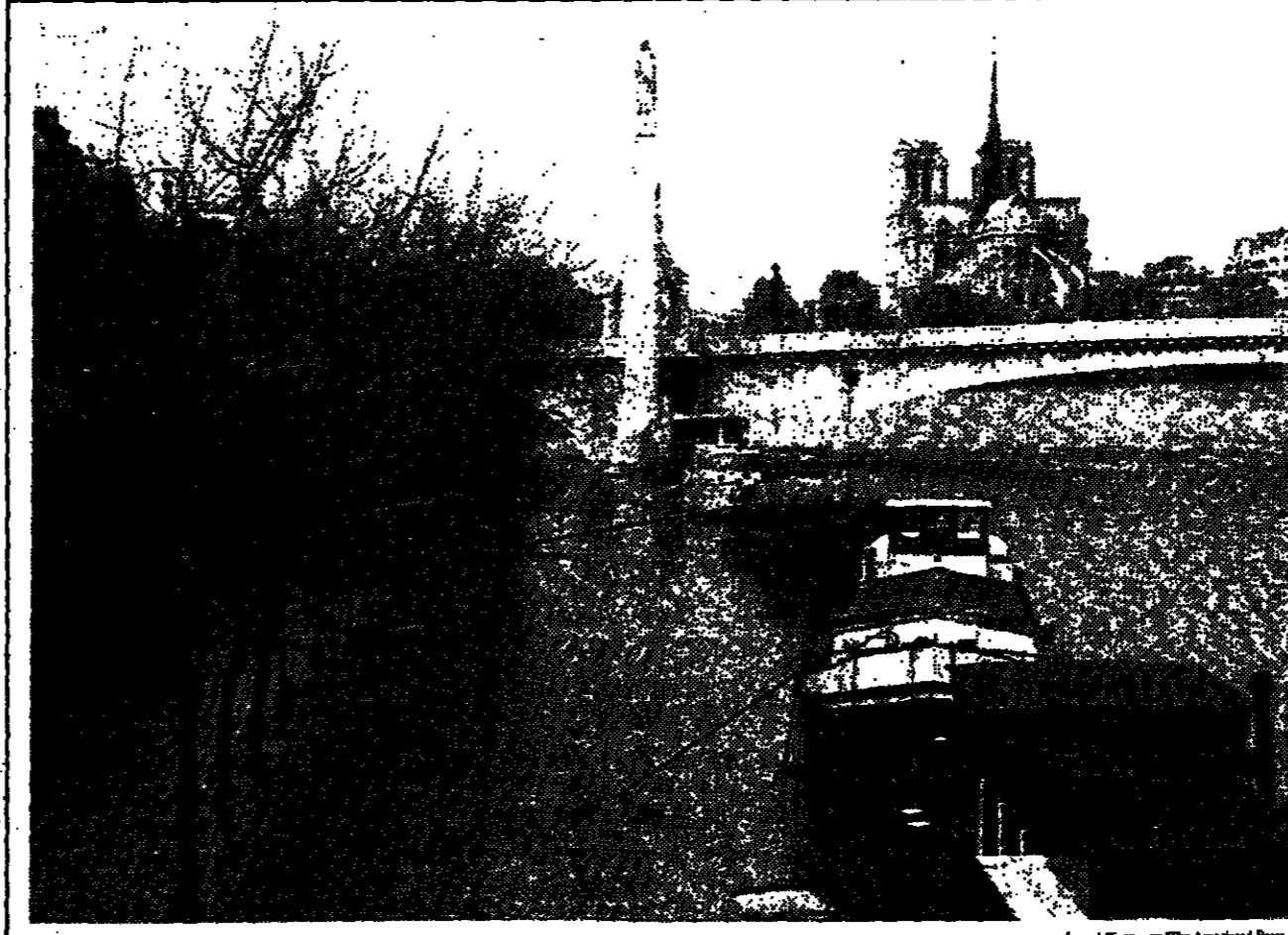
The rules governing U.S. economic sanctions are so loosely drafted that law enforcement officials have had to abandon or back away from several investigations of American companies suspected of doing illegal business abroad, an examination of some cases shows.

The most striking one involves Cargill Inc., one of the world's largest agricultural companies.

Three years ago, a team of government agents opened an investigation into charges that Cargill had brokered ships loaded with sugar for the Cuban government, apparently in violation of the so-called Trading With the Enemies Act.

In the ensuing months, investigators found hundreds of messages between Cargill and shippers overseas, evidence that the company's headquarters in Minneapolis, Minnesota, had been involved.

Last year, senior Justice Department officials said in internal memorandums that an indict-



FLOODING PLAGUES A PARIS ARTERY — Barges on the Seine in Paris, tied up to a quay that was under water Sunday as the river kept rising after heavy rains. Tourist boats stopped services and sections of expressway were closed. In eastern France, southeastern Netherlands and low-lying parts of Germany and Belgium, evacuees returned home to clean up from floods. Page 2.

Kiosk

Oslo Protests to Israel After Peacekeeper Dies

OSLO (AP) — Norway protested to the Israeli government after a Norwegian peacekeeper was killed and another wounded on Monday while patrolling for the United Nations in southern Lebanon.

A Norwegian military spokesman said Private Gorm Bjornar Hagen, 21, was killed and Lieutenant Oyvind Berg, 36, was wounded when Israeli soldiers fired tank and mortar rounds into the area where the five-member Norwegian team was on patrol.

The Israeli Army said Israeli soldiers sighted suspicious figures and fired at them, believing they were Arab guerrillas.

A Norwegian Foreign Ministry spokesman said that the complaint was delivered by telephone and that the Norwegian Embassy in Israel was instructed to follow up with a formal protest.

General News

A former German neo-Nazi says that the far right has global links. Page 6.

Middle-class American whites emulate Indian ways in a spiritual quest that some Indians criticize as spiritual robbery. Page 3.

Business/Finance

Viscom has access to capital if it decides to raise its Paramount bid. Page 9.

Spain expects its interest rates to fall in 1994 as part of a European decline. Page 11.

Dow Jones	Trib Index
Up 35.21 3,752.93	Down 0.01% 111.10
The Dollar	
New York	Mon. close
DM	1.701
Pound	1.5045
Yen	111.45
FF	5.7855

Newsstand Prices	
Andorra...9.00 FF	Luxembourg 60 L. Fr
Antilles...11.20 FF	Morocco...12 Dh
Caribbean 780 CFA	Qatar...8.00 Riels
Egypt...E.P. 5000	Rubicon...11.20 FF
France...9.00 FF	Saudi Arabia...3.00 R.
Gabon...480 CFA	Senegal...450 CFA
Greece...280 Dr.	Spain...200 PTAS
Ivory Coast 580 CFA	Tanzania...1,000 Din
Jordan...1 JD	Turkey...T.L. 10,000
Lebanon...US\$ 1.50	U.A.E...8.50 Dirh
	U.S. AIR (Eur.) \$1.18

Panda's Future: More Black Than White

*By Lena H. Sun
Washington Post Service*

CHENGDU, China — In the center of her concrete cage, Qing Qing cradles her tiny panda cub, which is squeaking hungrily. With a gentle nudge from the mother's huge paw, the cub, about the size of a cat, finds a nipple and sucks noisily, then drifts off to sleep.

With luck, this cub may survive, but the outlook for the giant panda, which is native to China, is gloomy. Greed, indifference, bureaucracy, poaching and skyrocketing population growth that harms its habitat all threaten the survival of the animal that has come to symbolize international conservation, Chinese and Western experts say.

"We can't guarantee that the species will not become extinct," said Fan Zhiyong, senior officer at the Giant Panda Protection Office in Beijing.

According to official figures, there are only about 1,000 pandas left in the mountains of Sichuan, Shaanxi and Gansu provinces. About 100 others are in captivity, most of them in Chinese zoos.

Pandas have thrived in China for 3 million years. But in the last four decades, as the country's population has more than doubled, to nearly 1.2 billion, their habitat has been destroyed by peasants and loggers, who cut down forests of bamboo, which is the panda's main food, or log other trees, leaving the bamboo, which needs shade and moisture to grow, exposed to the sun.

Pandas have also become a lucrative commodity, with their pelts fetching as much as

See PANDA, Page 6

Slovakia Bans Radio Free Europe

Agence France-Press

BRATISLAVA, Slovakia — The government has banned broadcasts of the American radio station Radio Free Europe as of Jan. 31, the press agency TASR said Monday.

In a statement cited by the official press agency, the Transport, Telecommunications and Public Works Ministry said the broadcasts violated Slovak law.

Radio Free Europe signed a six-year contract with Czechoslovakia in 1990 and has three transmitters in Slovakia. The Czech Republic and Slovakia split into two countries Jan. 1, and the Slovakian ministry said the contract had been signed with a government that no longer existed.

An editor at Radio Free Europe in Bratislava said Monday that no other country had tried to ban the station's broadcasts since the Communist regimes in Eastern Europe fell.

Robert Gillette, director of Radio Free Europe, said that a letter from the Slovak government's telecommunications agency had given no reason for the decision.

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Crossword	Page 18.
Weather	Page 18.

WORLD BRIEFS

Sanction-Weary Serbs Mob Bulgarian Shops

By John Kifer
New York Times Service

SLIVNITSA, Bulgaria — Almost all the cars parked around the rundown central square here, dominated by a statue of a soldier huddled in a greatcoat from some past Balkan war, carry the white license plates of the former Yugoslavia.

unpaved — is a kind of double insult. The former Yugoslavia, with its independent political and economic course, was once one of the most advanced states in Eastern Europe. Bulgaria was the most orthodox of Communist countries and one of the poorest, with a handful of terrorists possibly its best-known export.

empty plastic jugs and other containers. The buses would return home packed with gasoline and with everyone, in the central European fashion, puffing away on cigarettes.

operations police — according to one version, through the unrelated killing of two officers — so the police swept down on the market with guns blazing.

16 Are Shot In Attack On Tourists In Cairo

By Youssef M. Ibrahim
New York Times Service

CAIRO — Gunmen thought to be Muslim militants fired on a tourist bus on Monday, wounding eight Austrians and eight Egyptians in one of ancient Cairo's historic sites and ending a hull in attacks aimed at crippling Egypt's tourist industry.

Castro Granddaughter Is 'Free to Go'

HAVANA (Reuters) — President Fidel Castro has said that his teenage granddaughter can leave Cuba to join her mother in the United States if she has the consent of the rest of the family, the Reverend Jesse Jackson said Monday.

Sweden to Decide on Denmark Link

STOCKHOLM (Reuters) — The Swedish government will decide this week whether to go ahead with a 16-kilometer bridge and tunnel link to Denmark, a spokesman for Prime Minister Carl Bildt said Monday.

Manila to Hunt Cathedral Attackers

DAVAO, Philippines (Reuters) — President Fidel V. Ramos, vowing not to allow extremists wreck his peace efforts, ordered a hunt on Monday for attackers who hurled grenades into a Philippine cathedral, killing six worshippers.

Hosokawa, Japan Diet's Leader, Owes More Than Most to His Job

TOKYO — The son and nephew of a gambling tycoon are the richest members of the Diet, Japan's parliament, while Prime Minister Morihiro Hosokawa is the deputy poorest in debt, according to a parliamentary report issued on Monday.

Both Sides Break Afghan Cease-Fire

KABUL (Reuters) — Rival Afghan forces of President Burhanuddin Rabbani and Prime Minister Gulbuddin Hekmatyar battled with rockets and mortars on Monday, shattering an agreed truce even before it could take effect.

Bonn Readies Aid for Blood Victims

BOON (AP) — People who received the AIDS-causing virus or the disease through transfusions of infected blood will receive emergency aid from Jan. 1, the Health Ministry said Monday.

TRAVEL UPDATE

Osaka Airport Fees Anger Airlines

TOKYO (AFP) — Airlines using the new Kansai airport in Osaka Bay in western Japan threatened on Monday to refuse to pay what they claim are exorbitant charges being demanded to use the airport once it opens next September.

36 Die in a Plane Crash In Fog in West Armenia

YEREVAN, Armenia — Thirty-one passengers and five crew members died when their plane crashed in western Armenia near the frontier with Turkey, an Armenian spokesman said Monday.

COLONY: China Sets Date to Disband Legislature

Continued from Page 1
its election would be in breach of the Basic Law.

Russians Track Down Kidnappers, and Ransom

MOSCOW — Authorities tracked four kidnappers through snowy mountains and captured them Monday, a day after they had freed the last of their young hostages and fled in a helicopter with \$10 million in ransom.

If convicted, the kidnappers could face the death penalty. Even in a nation beset by organized crime and lawlessness, Russians had been shocked by the seizure of a dozen teenage boys and girls from Public School No. 25 in Rostov-on-Don, 1,000 kilometers (620 miles) south of Moscow.

An emergency committee headed by a deputy prime minister oversaw the situation as it developed. The Foreign Ministry sent a negotiator.

The central bank hurriedly borrowed \$10 million from two private banks to pay the ransom, and the former KGB dispatched its elite Alpha commando troops.

3 Wounded On Trains Near Paris

PARIS — Three passengers were injured when shots were fired at suburban trains and coaches were pelted with stones, railway officials said Monday.

Typhoon Kills 47 in Philippines

CEBU, Philippines — President Fidel V. Ramos declared a disaster in 11 provinces and 10 cities on Monday after a typhoon swept across the central Philippines, killing at least 47 people.

The disaster declaration allowed the release of emergency funds for relief operations in the affected areas, where the Ministry of Agriculture put crop losses at 14 million pesos (\$500,000). Estimates by local officials were much higher.

Rice, corn and fruit plantations were hit the hardest as continuous rains flooded fields, the ministry said.

Europe Floods Leave Mighty Mess

AMSTERDAM — Thousands of people in northwest Europe returned home on Monday to pick ruined possessions out of foul water and mud after the worst floods in decades.

Rivers swelled by torrential rain over the past week were retreating in the worst-affected areas of southeastern Netherlands, eastern France and low-lying parts of Germany and Belgium.

Floods receded slowly in the Soissons area of eastern France. Two police officers who were missing from a flood patrol in the Ardennes region last week still had not been found on Monday.

British Woman Bears Twins at The Age of 59

LONDON — A 59-year-old British woman has become the oldest woman on record to have twins after giving birth to test-tube babies on Christmas Day, a British newspaper reported on Monday.



Bosnian refugees in Zagreb lining up on Monday for a handout of rations of meat in front of an Islamic relief organization.

Fighting Rages Around Sarajevo Despite a Truce

SARAJEVO, Bosnia-Herzegovina — Six people were killed and 31 were injured as fighting between Muslim-led government forces and rebel Serbs raged in the besieged Bosnian capital of Sarajevo on Monday despite a Christmas truce, hospitals said.

RIPPLE: Dream Is Jolted

Continued from Page 1
would continue to bleed from the wounds of Bosnia if President Slobodan Milosevic of Serbia is not checked by "a credible threat of force."

36 Die in a Plane Crash In Fog in West Armenia

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سنة من الأمل

STATESIDE / NEW RITES AND TRADITIONS

Focus of Mammogram Debate Shifts to Costs

By Gina Kolata
NEW YORK — With the announcement this month that the National Cancer Institute would no longer recommend that women in their 40s have regular mammograms, the emotional debate over precautionary screening for breast cancer is shifting from a purely medical question to one of cost.

"If we yield every time there's a constituency that can make an emotional argument for coverage of something that is not supported by actual evidence," he said, "then we will have a chaotic, expensive and inefficient health care system in this country."

can College of Radiology and the American Cancer Society, agree that mammograms have not been proven to save younger women.

Reverence? Or Is It Robbery?
New Age Movement Emulates Indian Ways

By David Johnston
NEW YORK Times Service
BOULDER, Colorado — In an ancient rite of American Indians, wisps of smoke rose from burning herbs in prayer to Mother Earth and Father Sky, as the pipe-carrier intoned solemnly, "Creator, we come to you in a sacred manner."

said, some Indians have threatened harm to the church, unless it closes. But Mr. Buhner accuses those critics, whom he described as "Indian fundamentalists," of practicing "reverse racism."



2 HUNTERS, 1 DUCK — Mr. Clinton and Representative Bill Brewster, left, an Oklahoma Democrat, returning from a hunting trip at Taylor's Island, Maryland. Mr. Clinton said they bagged one duck between them. He credited Mr. Brewster with the kill.

Clinton Hunts for a Gun-Control Image

TAYLOR'S ISLAND, Maryland — President Clinton and two congressmen donned camouflage outfits and went duck hunting on Maryland's Eastern Shore on Monday.

But critics contend that the magazine merely apes the conventions of objective reporting to appear fair-minded.

"They go on about how they spend months doing dozens of interviews for their stories, but they don't have any of the scrupulousness about facts of serious investigative journalists," said Michael Kinsley, a senior editor at The New Republic and the liberal co-host of CNN's "Crossfire."

A Spectator With a Different Slant

NEW YORK — The American Spectator made a publicity splash two years ago with an article called "The Real Anita Hill," in which it questioned the propriety and character of Clarence Thomas's accuser.

Friends Give the President a Big Hand

WASHINGTON — White House officials estimate that during the three weeks from early December through Christmas, the president and the first lady, Hillary Rodham Clinton, shook hands with 100,000 White House visitors.

Quote / Unquote

John Lavelle, who works to protect American Indian traditions, referring to the New Age movement in which non-Indians mimic Indian culture: "This is the final phase of genocide. First whites took the land and all that was physical. Now they're going after what is intangible."

Quote / Unquote

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Away From Politics

• The novelist Toni Morrison said all her manuscripts, from her earliest writings, were lost in a fire that destroyed her country home on the Hudson River in New York State.

Quote / Unquote

Mr. Li's statement on sanctions as a new or more ominous warning, he said: "No. We view this as a reiteration of the previously expressed views."

UN Chief Urging 'Patience'

By Steven Mufson
Washington Post Service
BEIJING — The United Nations secretary-general, Boutros Boutros Ghali, urged "patience" on Monday to resolve the dispute over North Korea's refusal to allow nuclear inspections.

Malaysia to Allow College Courses Using English

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad said Monday that the government would allow technical subjects to be taught in English at colleges and universities.

THIS COULD BE YOUR TICKET TO WORLD CUP USA '94. Large advertisement for Sprint FONCARD with a graphic of a card and promotional text.

Enroll for a Sprint FONCARD and you could win tickets to WorldCup USA '94! Soccer's premiere competition is coming to the U.S. And no one's more excited than Sprint! We're giving away tickets to some of WorldCup USA '94's hottest events.

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The New Maoism: A Shadow Play for Today's Leaders

By Ross Terrill

Outdated Nuclear Policy

The Pentagon is slowly coming to terms with the disappearance of the Soviet strategic missile threat. In one adjustment, the United States proposes to loosen the 1972 Anti-Ballistic Missile Treaty to permit a more effective defense against threats from other countries with lesser nuclear arsenals.

Room for Pentagon Cuts

The numbers are obvious: If President Bill Clinton hopes to fulfill his promise to reshape spending priorities, he will have to cut existing domestic and defense programs by at least \$50 billion over the next five years.

'No' to Chinese Eugenics

China's recent announcement of a new draft law to "avoid new births of inferior quality" explicitly refers to "more than 10 million disabled persons who could have been prevented through better controls."

Other Comment

Butros Ghali and the Far East

The United Nations secretary-general's visit to China and Korea serves to launch UN policies that focus on the longer-term picture. The overall aim is to ease the crisis that surrounds North Korea's nuclear program.

WASHINGTON — Why is China paying attention to a dead Communist, even as it surges ahead on the road to capitalism?

The Communist in question is, of course, Mao Zedong, who died in 1976. In his anniversary year — Sunday marked his 100th birthday — he continues to fascinate the Chinese people, and his shadow complicates life for today's leaders.

From the start, the Chinese Revolution had two broad aims: to throw off foreign control and to rescue the Chinese people from poverty. Mao left China a success on the national front (independent) and a relative failure on the economic (backward).

But while money-making under repressive rule is the order of the day, the "craze for Mao," as it is called in Chinese, has grown ever stronger since the late 1980s.

During the Cold War, the United States spent decades acquiring the weapons and developing the strategies to protect its interests.

Without such trims, Mr. Clinton's domestic agenda will pay the price for Pentagon excess. The prudent price for Pentagon spending about \$30 billion next year on his investment program — mass transit, highways, early education, school-to-work assistance, job training, energy and scientific research.

The current Communist leaders have mixed feelings about this. "We can remember Mao by singing his songs, but we cannot do him justice by this alone," wrote the official paper China Daily, with some irritation.

Disciplined every exporting country is zeroing in on China in hopes of exploiting an apparently inexhaustible market of 1.17 billion consumers.

A Clear NATO Message To the Soviet Successors

By Sam Nunn

The writer, a Democrat of Georgia, is chairman of the Senate Armed Services Committee.

WASHINGTON — Fear of revived imperial Russian ambitions has led East European countries to seek protection via NATO membership.

The NATO summit will build on the council by formally endorsing the Partnership for Peace, a U.S.-sponsored initiative calling for NATO military cooperation with any interested non-NATO European state.

Poland, Hungary, the Czech Republic and other ex-Communist states seeking full NATO membership hope that the Partnership is a transitional vehicle to full membership.

Others regard the Partnership as a clever device to stall prospective new members, at least until the highly volatile security environment east and southeast of Germany clarifies itself.

I believe the Partnership for Peace concept buys both NATO and prospective new members time to think through long questions about the ultimate character and scope of the Atlantic alliance.

Half the Politburo for much of the 1980s consisted of people whom Mao had imprisoned or sent to rural labor camps. Thousands of the small businessmen who make the economy zip had the same experience.

But in some ways, Mao also foretold the spirit and contradictions of the Deng era. In 1958, for example, he observed that after China becomes modernized and industrialized, "we may possibly become too cocky and raise our tail sky-high."

Senior leftists use the Mao craze to caution against some of Deng's free-market policies. But ordinary citizens see it as a subtle mockery of the whole box and dice of Communist politics.

When Deng Xiaoping dies, as when Mao died, it seems likely that legitimacy will be lacking and will have to be manufactured. Once more, a lawless lunge to pick up power may occur, and politics could again take the form of incipient coup.

After Breakneck Growth, Expect Neck Trouble

By Robert Elegant

BERLIN — Schadenfreude is bubbling through commercial circles in Germany. Not only are rival British companies being deprived of lucrative contracts in China, even better, the work is to go to German firms.

Beijing is punishing Britain for insisting on a modicum of democracy in Hong Kong before the colony reverts to China in 1997. Chinese authorities had declared that British companies would receive 80 percent of contracts worth \$1 billion to build a subway in the southern city of Guangzhou.

When Chancellor Helmut Kohl returned from Beijing a few weeks ago proclaiming that he had secured orders worth \$1.8 billion for German industry, it sounded too good to be true.

It is problematical whether China's gross domestic product will continue to grow at the 13 percent pace attained in the last two years. A socially stabilizing inflation rate of over 20 percent can only be controlled by restraining expansion.

Virtually every exporting country is zeroing in on China in hopes of exploiting an apparently inexhaustible market of 1.17 billion consumers.



opposite massed Russian and East European tanks in the North German Plain and Fulda Gap. Today, the line has shifted eastward, and the vehicles have changed from tanks with guns to trucks with goods, but the message at the new East-West border remains: "They Shall Not Pass."

To Russia, we are already extending the hand of strategic partnership. Such a partnership can be enlarged to include mutual recognition of each other's vital national security interests; expanded cooperation on nonproliferation and defense-conversion issues; joint planning for dealing with nuclear disasters that might occur; removal of most remaining international nuclear missiles from alert status; enhanced military data exchanges; cooperation in peacekeeping and peace-making operations; and the further development of joint crisis-control centers designed to deal with the threat of a nuclear or chemical attack by third countries or terrorist groups.

I believe that a post-Communist Russia is implacably hostile to the West is far from a given. To regard it as such now could make it a self-fulfilling prophecy. We nevertheless have an obligation to put on notice those in Russia who speak of empire that we regard non-Communist Russian imperialism in Europe as just as objectionable as its Communist predecessor.

NEW YORK — The Mayor of Louisville, Mr. Tyler, has had a narrow escape from sharing the fate of the Mayor of Chicago at the hands of a crank. A man called yesterday (Dec. 26) at the City Hall and asked to see the mayor. He was finally refused to see the mayor's private office and, stepping quickly forward, said: "I wanted a position on the police force, but you have denied my request. I am therefore going to kill you." He then drew a pistol and pointed it at the mayor's head. The latter struck the man's arm up and the shot went over his head. The crank was then knocked down.

ROME — Monsignor Cerretti, who went to Paris to see President Wilson on behalf of the Pope, had three objects in connection with his mission, according to the newspapers. They were: justification of the Vatican's neutrality during the war and presen-

ALGIERS — [From our New York edition:] The Allies will win the Emroy war in 1944 if everyone "all the way from the front line to the remotest hamlet" does his full duty. General Dwight D. Eisenhower declared today (Dec. 27) at a farewell meeting with American and British correspondents before leaving for his new command in Western Europe. The man who will direct the all-out invasion of Germany spoke with such assurance that he left no doubt he was confident of complete support of the war front by the home fronts in Great Britain and the United States.

ROME — Monsignor Cerretti, who went to Paris to see President Wilson on behalf of the Pope, had three objects in connection with his mission, according to the newspapers. They were: justification of the Vatican's neutrality during the war and presen-

NEW YORK — The Mayor of Louisville, Mr. Tyler, has had a narrow escape from sharing the fate of the Mayor of Chicago at the hands of a crank. A man called yesterday (Dec. 26) at the City Hall and asked to see the mayor. He was finally refused to see the mayor's private office and, stepping quickly forward, said: "I wanted a position on the police force, but you have denied my request. I am therefore going to kill you." He then drew a pistol and pointed it at the mayor's head. The latter struck the man's arm up and the shot went over his head. The crank was then knocked down.

Advertisement for International Herald Tribune, listing names of editors and contact information for various offices.

Handwritten text at the bottom of the page: 'سنة من الاصل'

OPINION

Are They Helping Iran Go Nuclear?

WASHINGTON — Something very strange is going on, behind closed doors, among the governments of Israel, Germany, the Czech Republic and Iran. Blinded again by the urge to recover hostages and the delusion of Iranian "moderates," Israel may unwittingly be providing the intelligence cover that could help Tehran acquire Western nuclear technology.

By William Safire

As Stephen Engelberg of The New York Times reported Dec. 15, Israeli journalists discovered that Skoda's director, Lubomir Soudek, had been in Iran from Nov. 23 to Dec. 3 meeting with Riza Amoralahi, the head of Iran's nuclear energy department. The company said it was about trolley cars and energy cooperation. Sure.

Syria, U.S. strategic doctrine agrees. Germany, after being burned in Libya and Iraq, has a policy of restraining export of nuke-tech to terrorist states, but its executives are looking for ways to circumvent it. The Czechs are hungry and want to sell to anybody.



The Rulebook Could Bring A Brave New Erotic World

By Eric Fassin

NEW YORK — A good consensus is hard to find, especially on sexual politics today in America. But the infamous rules instituted last year by Antioch College, which require students to give explicit verbal consent before so much as a kiss is exchanged, have created just that.

Those who believe that society's constraints should have nothing to do with sex agree that sex should not be bound by the social conventions of language. Indeed, this rebellion against the idea of social constraints is what's behind the controversy over explicit verbal consent.

MEANWHILE

Sexual correctness thus proves a worthy successor to political correctness as a target in public debate. Yet this consensus reveals shared assumptions among both liberals and conservatives about sexual roles.

This is not very different from the radical feminist position, which holds that verbal persuasion is no better than physical coercion. According to this view, sexuality cannot be entrusted to rhetoric: The seduction of words is inherently violent, and seduction itself is an object of suspicion.

LETTERS TO THE EDITOR

What Future for Germany?

Regarding "Of Two Empires Cast Down and a Republic Rising Tall" (Meanwhile, Dec. 14):

August von Kageneck states that "Versailles created Hitler." Was it not the lack of application of the Treaty of Versailles that permitted Hitler to operate? There was a big difference between the defeated Germans of 1918 and those of 1945. In 1918, Belgium and part of France had been ravaged; in 1945, it was Germany's turn to receive what it had inflicted on others.

Inman the Transgressor

Regarding "Inman the Selfless Need Not Do Us This Big Favor" (Opinion, Dec. 24) by William Safire:

Bobby Ray Inman's first name clearly ranks Mr. Safire, but after President Jimmy Carter took the oath of office, who cares? Among the admiral's other transgressions are having denied certain military secrets to Israel, having accused Israel of a disinformation campaign and having denounced a convicted Israeli spy too vigorously. Maybe it is time Mr. Safire realized that most governments tend to place the interests of their own country first, sometimes even with zeal.

Power and Government

Regarding "People and Government" (Letters, Dec. 22) from Tracy Danison:

With respect to Tracy Danison's comments about Tommy Koh, a former Singapore ambassador to the United States, I must say that I have severe doubts whether politicians in any country or culture truly care about the commonweal of the governed. It seems to me that in most cases what politicians (to be distinguished from civic leaders, for instance) are really interested in is their own power and prestige, and the perquisites that go with them.

Medicine's Many Healers

Regarding "Doctors Who Heal" (Letters, Dec. 2) from W. Konigsberger:

Awarding the Nobel Prize in Medicine to medical doctors only would be a denial of how science operates today. Medicine simply cannot advance without further basic knowledge of how living organisms function. And in our present multidisciplinary world, these breakthroughs may as well come from biologists, chemists, physicists, pharmacologists, epidemiologists and "biotechnicians."

Bohemia: An Accord Beckons

HUBERT A. LECHÉVALIER, Morrisville, Vermont.

My father fought the Germans in World War I, and I fought them in World War II. Over my vehement objections, the U.S. State Department made Germany my first assignment in the Foreign Service in 1950. I could not speak to a German for a year, but then I met Ernst Reuter, Willy Brandt and many fine democrats. In all, I served 17 years in Germany, and they were the most rewarding years of my life.

Power and Government

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Rabies and Europe's Pets

The report "How Britain's Rabid Obsession Has Altered the Channel Tunnel" (Dec. 10) omitted one important fact about domestic animals and rabies: In Continental Europe, pet owners are legally obliged to vaccinate their animals against the disease. Every domestic dog or cat gets a personal passport on which the date of its latest injection is mentioned.

BOOKS

JAMES BEARD: A Biography

By Robert Clark. 357 pages. \$27.50. HarperCollins.

Reviewed by Margaret Visser

LIKE Che Guevara or Marilyn Monroe, James Beard presented the world with an unmistakable image that could sum up something we wanted at the time to see expressed.

Such people have to make an instant and unforgettable impression, using the simplest of props: curls under a starred beret, breasts plus smile plus blonde hair and drooping eyelids.

For huge numbers of people, James Beard was the very picture of a bald, bow-tied, kindly, fat American who adored food and persuaded us to enjoy it too. Like all heroes, he has a type: No one will ever again be able to do the image without being an imitator.

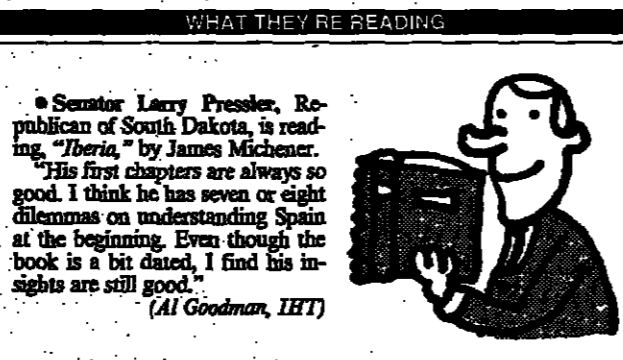
Robert Clark has wit and intelligence used the Beard chronicle to say even more about his subject's times than he has about his life.

This is biography that highlights and encapsulates cultural history. Clark has understood the function of the mythic images adopted by us, the restless but demanding multitude.

James Beard taught us about food, was an expert cook with superbly sensitive taste buds. But there is a level at which it was who he was, in a food guru, somebody fat (the embodiment simultaneously of expansionism and conservatism), genial and generous (a Santa figure), very American (championing our food while handing on to us French expertise), greedy for pleasure, and anxious to please. Beard stepped forward to play the role as our drama required.

He even provided a moral lesson in the heroic manner, dying of an excess of cholesterol and of overeating generally, although we should remember that he lasted to the age of 82.

The first hundred pages of the book are the most absorbing. James Beard himself constantly remembered and honed into legend his childhood and early adulthood in Oregon, and they are sharply evoked by Clark. His



Whenever interest in Beard begins to pall for the reader (and it frequently does, once Beard has become famous and busy), Clark turns back to American food history as it unfolded during Beard's long lifespan.

There are also revelations of "feuds and bitchery, betrayal and revenge" in the food world, as well as accounts of America's changing tastes in restaurants, of recipe collections and plagiarisms, and even of the homosexual community and the changing social attitudes toward it.

People are given acerbic short characterizations that are presumably going to cause more "bitchery." I myself bristled at Elizabeth David being accused of "hairshirt pastoralism."

The first three pages of the book describe Beard's visit to his mother in Oregon when she was dying, in August 1940. The episode is made to reveal all of Beard's anxieties, his longing to satisfy her ambitions for him, his neediness and resentments.

These pages resonate throughout the book — even through James's most dreary and sordid phases, through his endless paid proclamations of the virtues of various commercial products, his binging on fast-food hamburgers, his exploitation of and by a string of pretty young men, and the disconcerting occasions when he would let his gentility slip to reveal "a normally concealed well of fury."

It was an inspired idea to begin the book with the picture of Beard before he began to be famous. It helps to make the whole bloated saga explicable.

We understand and sympathize, realizing that food was for Beard, as for so many of us, though with less intensity, a "pameral" comfort, a thing apart from ambition, achievement, and the interpersonal commerce of career; a castle set in the sand of a perfect childhood beach.

Margaret Visser, the author of "Much Depends on Dinner" and "The Rituals of Dining," wrote this for The Washington Post.

Chess. The women's world champion 23-year-old Jun Xie of China, steatrolled her challenger, 31-year-old Nana Ioseliani of Georgia, in Game 1 of their title match, which began on Oct. 25.

Chess

By Robert Byrne

The women's world champion 23-year-old Jun Xie of China, steatrolled her challenger, 31-year-old Nana Ioseliani of Georgia, in Game 1 of their title match, which began on Oct. 25.

The plan underlying 7 Be3 in the Classical Variation of the King's Indian Defense is to maintain the tension in the center or to create weaknesses in the black formation, should the opponent make an ambitious attempt at active counterplay. Jun preferred 7...h6 to the older 7...Ng4 8 Bg5 9 Bh4 Nc6 10 d5 11 Nc2 Nf6 12 f3, which lets White organize a pawn attack on the queenside while her king would not present a fixed target on the other wing.

If White takes a pawn with 8 de Nc4 9 de Nc3 10 f6 Be3 11 be cd, Black has more than enough compensation in play against the doubled, isolated e and c pawns.

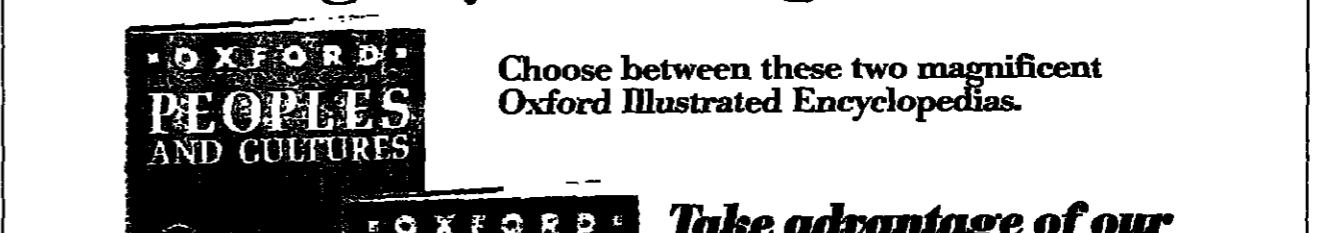
The idea in 11 Ne1 is that 11...f5 12 Bg4? (g 13 Be3 creates doubled g pawns to limit Black's leverage in opening lines against the king, whereas White can go ahead with b4 and c5).

On 15...de, Ioseliani would have gotten into trouble, after 16 ef??

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Former Neo-Nazi Emerges From His Bunker With Advice for Germans

By Rick Atkinson

Washington Post Service

BERLIN — His jacket and boots are, of course, black leather, his eyes the requisite blue, his hair a spiky blond...

the 1937 borders of the Third Reich; participation by currently banned parties in electoral politics; eventual establishment of a totalitarian state.

organizations, up from 40,000 members and 76 groups in 1991. Another 25,000 belong to the far-right Republicans Party, headed by a former member of the SS, Franz Schönhuber.

now. People are waiting for a future," Mr. Hasselbach said. Mr. Hasselbach's background is not unlike that of others who have drifted to the fringes of German society.

There were war games in the forest and buying of arms from departing Soviet soldiers. Financing, Mr. Hasselbach says, comes from secret donors, including sympathetic West Germans, and journalists who pay for interviews.

Peres Takes Hard Line in New Talks

New York Times Service

CAIRO — Israel and the Palestine Liberation Organization began a third round of talks at a secret location here Monday night to resolve hurdles in the way of an Israeli withdrawal from the occupied Gaza Strip and the West Bank city of Jericho.



Security forces inspecting damage at the Fintona police station in Northern Ireland after a blast Monday that ended the IRA truce.

IRA Mortar Blast in North Ends Holiday Truce

BELFAST — An IRA mortar attack that came just 16 minutes after the end of a 72-hour IRA holiday truce wounded two civilians Monday at a rural police post at Fintona.

Hurd urged the Irish Republican Army to end its 25-year war against British rule in Northern Ireland to win a place at new talks under a British-Irish initiative.

British government rejected stiffer security measures if the IRA accepted the plan unveiled by Prime Ministers John Major and Albert Reynolds on Dec. 15.

"We came to translate the agreement of principles into a new reality," said the Israeli foreign minister, Shimon Peres, shortly after he arrived in Cairo on Monday.

PANDA: Future More Black Than White for World Conservation Symbol

Continued from Page 1 \$10,000 on black markets in Hong Kong, Taiwan and Japan.

"It's the worst politics of any endangered species I've worked with," said Devra Kleiman, assistant director for research at the Washington National Zoo.

lions of dollars" for panda conservation, using long-term breeding loans that would bring the animals back into American and Canadian zoos, according to Michael Hutchins, the association's director of conservation and science.

Mr. Peres said, "I'm not bringing anything new" to the negotiations.

Coping in Eastern Germany As Old Ways Die, New Paths Are Explored

By Stephen Kinzer

New York Times Service

ALTDOBERN, Germany — In this 750-year-old village carved out of the dense forests of eastern Brandenburg, game is so plentiful that hunters can fill orders for deer and wild boar in a matter of hours.

Old ways are dying too, and the challenge to those in Eastern towns like Altdobern is to adapt to the drastic and sometimes frustrating changes brought about by unification.

When I think of what we've achieved in three years, it's really amazing," Mrs. Thierbach said. "Many people here don't know how to deal with the new situation. They get one or two job rejections and then give up. It's because in the old days, everything was guaranteed.

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Italy to Seize \$10 Million Tied to '83 Bank Failure
South Africans Clash on Beach
JOHANNESBURG — Dozens of people were hurt in brawling between blacks, whites and Indians on a beach in South Africa's port city of Durban, the police said Monday.

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Style

Muu-Muu Caper:
Dressing for
New Year's Eve

By Emily Prager
New York Times Service

NEW YORK — New Year's Eve is a heady time. It's the evening we make the transit from the life of last year to the life of next year, when, if hope has faltered, hope is renewed. It is a magical night, the closest that we come in living to mortality, in that it involves a passing away, a passing over and a rebirth of sorts. There is grief, nostalgia, some mourning perhaps, a making of peace, a waltzlike revelry, and finally, a passage in hope and trepidation into the unknown.

The question is what to wear for it. I wanted to dress like an angel. It was a strange impulse, perhaps brought on by all the sheer things I saw at the fall collections, or by constant sightings of the "Angels in America" angels whom I love. Perhaps it was envy of the fashion magazine angels, or the news magazine angels. I wanted glitter, lots of filmy material and an out-of-body experience. I wanted to rise up, look down and get some perspective on millennial matters. So I bought a pair of wings (\$12) and went shopping.

It's a magical night and she wants to look like an angel.

My first stop was a charming little store which, this year, is filled with turn-of-the-century echoes — puckered velvet evening bags, chenille boas and beaded lace. There I found a green rayon chiffon angel dress with broomstick pleats and velvet flocking (\$160) that made me hover.

As I floated around the store, I pondered the past and the future. That afternoon, I had visited the library and looked up 1894 in newspapers and in *Time* tables of history to see, I suppose, what we might learn from it.

It was the year dog catchers were abolished in New York City, the Dakota apartment building was completed, the first mansions were built on Fifth Avenue. Congress passed the first graduated income tax law. Nicholas II became the last czar of Russia. Dreyfus was convicted in France. Korea and Japan declared war on China and President Sadi Carnot of France was assassinated by anarchists.

I proceeded to a most lovely antique clothing store, virtually levitating on history. There, I discovered a 1930s silk chiffon, Ginger Rogers dancing dress with silver-sequined bodice to pass over for (\$150). It looked superb with wings, as did a pair of Myrna Loy lounging pajamas in royal blue and white satin (\$125).

As I waited out the door and up the avenue, I marveled at how everything that we now take for granted as entertainment was introduced in 1894. The United States Golf Association was established. Comics first appeared in Sunday newspapers. Edison opened his first Kinetoscope Parlor in New York. Louis Lumiere invented the cinematograph. Bedliner first used a horizontal gramophone disk instead of a cylinder for sound reproduction. Marconi built his first radio equipment.

Visions of art circled my head. In 1894, Beardsley illustrated Wilde's "Salome." Toulouse-Lautrec painted "Au Salon de la rue de Moulin" and produced lithographs of Yvette Guilbert. Alphonse Mucha prepared the art nouveau poster of Sarah Bernhardt. Kipling published "The Jungle Book." Du Maurier created Svengali in his novel "Trilby." Anthony Hope published "The Prisoner of Zenda."

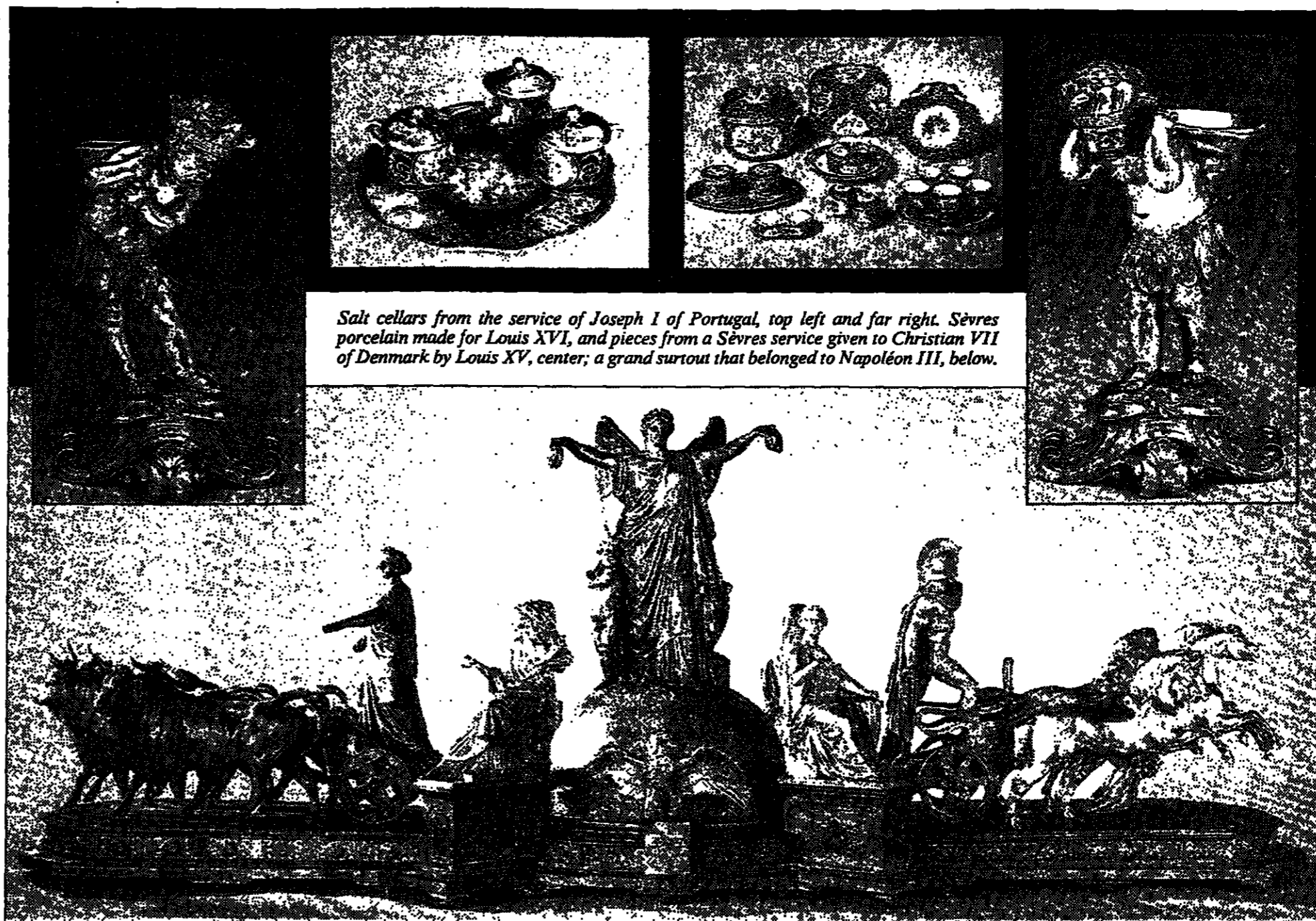
It was only a short flight to my favorite secondhand clothing store, but as I took it, I thought of science and music. In 1894, haploid and diploid chromosomes, the baboon plague baculum and Homo erectus were discovered. Diesel invented the Diesel engine. Debussy wrote "L'Après-Midi d'un Faune." Sibelius wrote "Finlandia."

In all, I missed, as I undulated into the perfect angel robe, a beige chiffon nurse-suit with sequined collar and cuffs at the celestial price of only \$35. It was a year when our present began to be begun. It reminded me to purchase my angel robe, which I did, folding my angel wings and placing them carefully in my shopping bag to be retrieved on New Year's Eve.

ON Dec. 31, I will dress as an angel and watch the ball drop on television. I will ponder interactive television, the 500 channels, the latest fusion experiments. I will worry about Bosnia, North Korea, South Africa and crime. I will consider seriously the electric car and computerized art, and I will think on the state of women.

One hundred years ago, in March, a group of English ladies resolved that men had encouraged women to be military hospital nurses "only in order to keep them from bearing arms and thus demonstrating their equality with men." According to *The New York Times*, they held a meeting in England and "organized a company of volunteers for purely fighting purposes." They decided on a uniform of "dark blue tunics, knickerbockers and stockings, and would be armed with a rifle and a sabre bayonet, as well as with "a mousquet capable of catching eight simultaneous mice." The proposal to carry a cat was voted down as "impracticable."

Oh, well. In the next century. Happy New Year!



Salt cellars from the service of Joseph I of Portugal, top left and far right. Sevres porcelain made for Louis XVI, and pieces from a Sevres service given to Christian VII of Denmark by Louis XV, center; a grand surtout that belonged to Napoleon III, below.

When Elegance Ruled at Europe's Royal Tables

By Jean Rafferty

VERSAILLES, France — When it comes to the art of dining out, the French have long reigned supreme. But as a new exhibition proves, French preeminence in the arts of the table began by dining in, at the Versailles table of Louis XIV.

The exhibition, "Versailles et les Tables Royales en Europe," at the Château de Versailles until Feb. 27, is an assemblage of the surviving masterpieces in French silver and gold tableware and Sevres porcelain made for and inspired by the dining style of French royals — a style that set the fashion for the rest of Europe from the 17th to the 19th century.

For Louis XIV's public suppers — *les soupers au grand couvert* — royal craftsmen surpassed themselves to provide exquisite silver and gold services worthy of the Sun King. Foreign ambassadors reported back to their sovereigns and soon the refinement of Louis's table was envy of all the princely courts of Europe, who lost no time in ordering their own magnificent French services. Later, when Louis XV ordered the first royal porcelain service from the future Royal Manufacture of Sevres, it provoked another fashion furor.

Few of the originals actually used at Versailles survived. The French kings were notoriously casual with their silver and

gold services, melting them down to pay for wars or to be recast in their own versions. The fragility of porcelain and the French Revolution took care of the rest.

Fortunately, despite their own wars and revolutions, foreign monarchs — and their democratic or communist successors — were more successful in hanging on to their French treasures.

The story of how the organizers succeeded in assembling such magnificence is as heroic as the show itself. Catherine Arminjon, curator of French patrimony, discovered Napoleon's Egyptian service forgotten in a museum storeroom on one of her seven trips to Russia. It was exhibited to the Russian public for the first time just before being sent to Versailles.

The list of lenders for this exhibition is straight out of the Gothic: Queen Elizabeth II of England, Queen Margarethe of Denmark, King Carl XVI Gustaf of Sweden, plus the extraordinary collections of three Russian museums (the Hermitage, Kremlin and Kushkovo) and several in Portugal. Beginning with a 10-meter (32-foot) tall column of light that recreates a royal centerpiece of 1674, the magnificence of dining in Versailles has been set in scene by Italian set designer Pier Luigi Pizzi in the newly restored Africa and Crimea rooms of the chateau. Their renovation, which provides the Château de Versailles with a much-needed temporary exhibition space, was sponsored, as is the show itself, by

LVMH (Moët Hennessey Louis Vuitton) to mark the 250th anniversary of Moët et Chandon champagne.

Each piece on show is a tribute to the virtuosity of dynasties of French silversmiths like the Germains, the Rottiers, and the Augustes, and the talent of generations of Sevres artists, but certain services stagger the eye and provide a fascinating insight into the incredible splendor of royal lifestyles. Several paintings on display also provide clues to royal dining habits.

If it all seems like dining in a play, it was. At the royal table of Louis XIV, conversation was at a minimum. Not surprising when one reads his sister-in-law's account of the king's usual consumption: four plates of soup, an entire pheasant, a partridge, salads, ham, mutton with garlic, a plate of *potée*, fruit and hard-baked eggs. Eating well was a sign of opulence and almost the king's duty.

The advent of porcelain on royal tables marked a move away from the strict protocol of grand couvert meals. Louis XV ordered his first fabulous "celestial blue" service of soft-paste porcelain in 1753-55 from the factory that became renowned when it moved to Sevres in 1756. It was used for informal suppers he liked to take after the hunt with his nobles and mistresses.

Louis XVI and Marie-Antoinette, who

much preferred dining in private, reduced public meals to Sundays and holidays. On these formal occasions, Marie-Antoinette wouldn't even remove her gloves, much less dine. At the queen's instigation, Louis XVI began giving "society suppers" when distinguished, though nonroyal guests would be invited to dine in their private dining room. The splendid *grand service* he ordered from Sevres in 1783 — each plate graded by a painting on themes of mythology and ancient history — was designed for these entertainments.

The presence of these two services at the exhibition, back at Versailles for the first time in almost 200 years, is especially poignant. The 44 pieces of Louis XV's first porcelain service were loaned by the duke of Buccleuch from the collection that has been in his family since 1830. The Grand Service of Louis XVI, the most celebrated of all the king's Sevres porcelain, was never completed due to the Revolution, but 115 pieces were sold to England's George IV by the revolutionary government and the pieces on show here were lent by Queen Elizabeth II.

The success of the Sevres porcelain factory provided a fertile source of diplomatic gifts for both Louis XV and XVI, and a room at the show is devoted to them.

Though Napoleon reportedly found dining a bore, he understood the prestige of a sumptuously-set table. His grand vermeil service escaped the meltdown and includes

the only surviving boat-shaped *nef* and *caddinet*, which contained the king's napkins, cutlery and tests for poisons, and were symbols of the power meal on kingly tables from the 14th century on.

The emperor also understood the power of the extravagant gift. His present to Czar Alexander I, the Sevres Egyptian Service illustrated with scenes of his Egyptian campaign and its astonishing biscuit centerpiece of temples, pharaohs and sacred rams, is one of the highlights of this glittering show and another trump from the Russian museums.

AFTER Napoleon, royal dining etiquette was simplified to the service used at most formal dinners today when serving dishes are presented to each guest successively. Porcelain gradually replaced silver and Baccarat crystal glassware appeared on tables liberated from the crowd of serving dishes. The affection for the grandiose centerpiece continued unabated, however, demonstrated in the surviving bits of Napoleon III's silvered bronze *surtout* that closes the exhibition. Dull and scorched from the fire that destroyed the Tuileries Palace in 1871 during the Commune uprising, it is a reminder that royal life was not all splendor.

Jean Rafferty is a Paris-based journalist who specializes in design and lifestyle.

In a Fashion Princess's Kingdom

By Georgia Dulice
New York Times Service

NEW YORK — The dark green Jaguar was on its weekend run from Fifth Avenue in Manhattan to the hills of Litchfield County. Behind the wheel, a woman with major cheekbones and a quirky European accent was talking about holidays in Connecticut.

Not the 1940s movie "Christmas in Connecticut" in which a magazine writer (Barbara Stanwyck) and a war hero (Dennis Morgan) find love under the mistletoe — not that celluloid chestnut.

No, this was a real-life "Christmas in Connecticut" for the '90s, in which a fashion designer for who used to be a princess (Diane von Furstenberg) becomes the queen of the QVC home-shopping channel. She decks the halls of her country estate with evergreen swags and old beaux. "If you've loved somebody," she said, "they always remain part of your life."

The ranking old beau (Barry Diller) is an entertainer (As the chairman of QVC, he's trying to take over Paramount Communications, and she has a piece of the action. But that's another movie.)

Also spending the holidays on the designer's 100-acre (40-hectare) spread, Cloudwalk Farm, will be her former husband, the prince (Egon von Furstenberg). She refers to him as "my first husband," though she has been married only once. She describes their children (Alexandre, 23, and Tatiana, 22) as "my best patients."

On New Year's Eve, von Furstenberg will turn 47. She has certainly had a long run, as these things go, probably because of this rich life she gets every few years to reinvent herself.

Right now, the thing is selling her silk sportswear on QVC and posing



Diane von Furstenberg

on the sofa with Diller in his suite at the Waldorf-Astoria as the photographer Annie Leibovitz snaps them for Vanity Fair's "1993 Hall of Fame." Von Furstenberg is a contributing editor of the magazine.

Remember the wrap dress? Surely no woman over 40 has forgotten. A Belgian-born designer who studied economics at the University of Geneva, von Furstenberg was just 25 in 1972 when she created a little jersey dress. She just knew it would lure American women out of pantsuits. Four years later, she had sold 30 million of the dresses to women of all ages, shapes and incomes — and she was on *Newsweek's* cover.

The wrap dress lives — and not just in costume collections and thrift shops. Sometimes when von Furstenberg is giving a talk out of town, a woman in the audience will walk up, throw open her coat — and smile. "I love seeing those old dresses, those old friends," she said in the car. But she added, "I don't want to be somebody who did something when she was 25."

Her idea of not living in the past is doing a "Midnight Special" on QVC, moving 12,000 of her silk

shirts, at \$59.95 each, in less than 20 minutes.

Von Furstenberg went on to talk about her strange and enchanted existence in the '80s. "I was four and a half years with Paolo and four and a half years with Alain," she said at one point. "That's my quote."

Paolo was a Brazilian art dealer with whom she shared a honeymoon hut by the beach on the island of Bali. The interlude inspired her to create a perfume, Volcan d'Amour, and to decorate her Fifth Avenue offices with Balinese artifacts, including a flock of wooden geese. The geese remain, but Paolo has flown. "He's the only one I'm not still close to," she said.

After Bali came Paris, where she set up a literary salon and founded a publishing house, Savoy. "Writing is the one art I am most sensitive to," she said. "I have a weakness for writers." In particular, there was the novelist Alain Elkann, with whom she shared an apartment on the Left Bank.

In the '80s, the DVF signature sold more than \$1 billion worth of licensed products — everything from eyeglasses to luggage. The royalties were rolling in, she said, but her label was being ruined by the manufacturers.

"They were doing junk," she

said. "I tried to talk to them, but they wouldn't listen. I could tell they thought: 'She's a has-been. What does she know?'"

Her voice grew edgy as she described how she did what few designers have managed to do. "I decided to bite the bullet and take back my name," she said. "In some cases, I had to buy it back; in some cases, I got it back, all kind of ways. My accountant was not happy, but it was worth it to be back in fashion and beauty."

She sighed. "Those years from '89 to '92 were very difficult. I ate a lot of humble pie."

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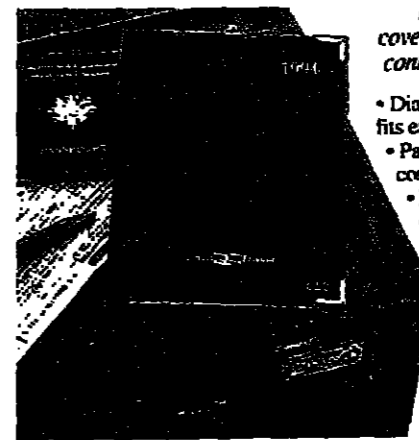
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NYSE

Monday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

High Low Open Close

Symbol	High	Low	Open	Close
IBM	115.25	114.50	115.00	115.00
MSFT	45.00	44.50	44.75	44.75
ORCL	48.00	47.50	47.75	47.75
INTL	10.00	9.75	9.87	9.87
DIS	34.00	33.75	33.87	33.87
WMT	40.00	39.75	39.87	39.87
AMZN	18.00	17.75	17.87	17.87
GOOG	100.00	99.50	99.75	99.75
MSFT	45.00	44.50	44.75	44.75
ORCL	48.00	47.50	47.75	47.75
INTL	10.00	9.75	9.87	9.87
DIS	34.00	33.75	33.87	33.87
WMT	40.00	39.75	39.87	39.87
AMZN	18.00	17.75	17.87	17.87
GOOG	100.00	99.50	99.75	99.75

IBM (115.25) - Shares of International Business Machines Corp. rose 1/8 point to 115.00, after a volatile session. Analysts note strong performance in the mainframe division.

MSFT (45.00) - Microsoft Corp. shares were steady at 44.75. The company's software sales continue to show robust growth.

ORCL (48.00) - Oracle Corp. shares closed at 47.75. The database software giant reported solid earnings.

INTL (10.00) - International Technology shares were flat at 9.87. The market is watching for a catalyst.

DIS (34.00) - Walt Disney Co. shares ended at 33.87. Analysts are optimistic about the company's entertainment portfolio.

WMT (40.00) - Walmart Inc. shares were unchanged at 39.87. Retail sales remain strong.

AMZN (18.00) - Amazon.com shares closed at 17.87. The e-commerce leader continues to expand its market share.

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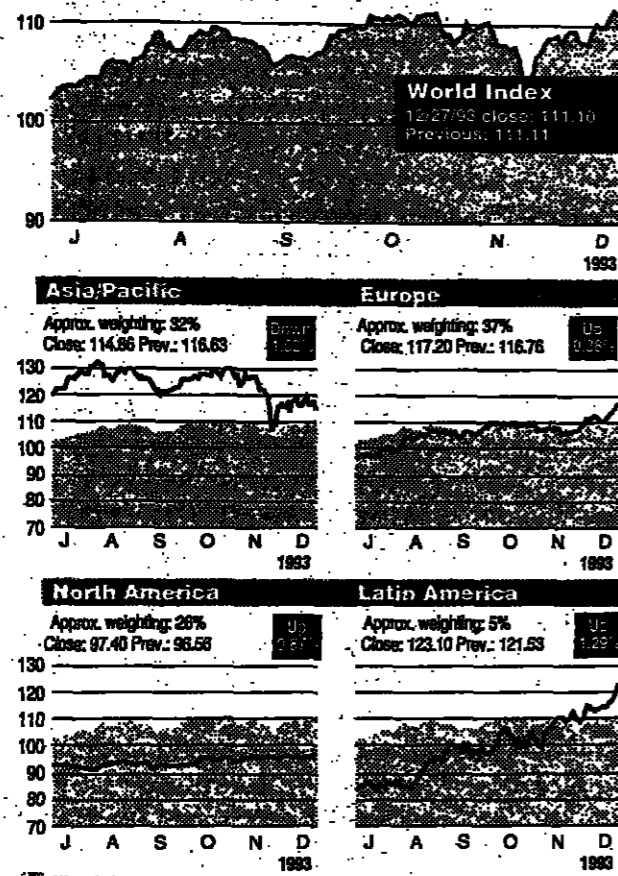
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THE TRIB INDEX: 111.10
International Herald Tribune World Stock Index



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major markets.

Table with 4 columns: Sector, Max. Close, Prev. Close, % Change. Includes Energy, Utilities, Finance, Services, Capital Goods, Raw Materials, Consumer Goods, Miscellaneous.

For more information about the index, a booklet is available free of charge.

Viacom Weighs New Bid

Will Redstone Pay the Price?

By Geraldine Fabrikant

NEW YORK — Sumner M. Redstone, the chairman of Viacom Inc., can't pay investors to raise his offer for Paramount Communications Inc.

Three weeks ago it announced a preliminary agreement in the U.S. market with the acquisition of Motor Coach Industries International Inc.

The deal also reflects the precarious position that even strong Mexican companies face because of uncertainty over the value of the peso and the anemic performance of the Mexican economy.

Analysts say it makes sense for a company like Dina to make major purchases now because a devaluation of the Mexican peso is possible in 1994.

At that time the shares were trading at about \$53 a share. On Thursday, the day after the QVC bid was approved, the Viacom shares closed at \$46.75.

See VIACOM, Page 11

Busing Against the Odds Mexican Vehicle Maker a NAFTA Star

By Anthony De Palma

MEXICO CITY — Four years ago, the government got rid of a state-controlled company that lost \$25 million a year by turning out smoky buses and trucks that were barely able to climb Mexico's mountains.

That same company, Consorcio Grupo Dina, now is operated by a team of businessmen and has an annual profit of \$90 million on a new line of trucks and buses.

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See VIACOM, Page 11

German Shares Lead Europe's Year-End Rally

By Peter Passell

FRANKFURT — German stocks surged on Monday, sending the DAX index to a record high, as institutional buyers sought to lock in gains into 1994.

The European component of the International Herald Tribune World Stock Index rose 0.38 percent, to 117.20 points.

German stocks closed the official trading session at a record as investors sought to prolong their rally into the new year.

Dealers said much of the buying came from funds. "Institutional investors say they want to carry over the gains into the new year and then sell early in 1994 to show a good performance from the start."

As few investors want to sell shares before the end of the year, supply is low and small buying orders suffice to drive prices up, said traders.

In the DAX Monday, 28 shares rose and only two fell. The advance was led by Metallgesellschaft AG, whose shares gained 6.64 percent.

17.30 Deutsche marks, to 277.80 DM (\$162.97). However, that's still a long way from the 325 DM the shares traded at before reports of heavy losses in oil futures trading by its U.S. unit triggered a management shake-up at the metals and engineering group.

See STOCKS, Page 10

4 Asian Markets Reach Records

TOKYO — Asian stock markets surged on Monday, led by the exchanges in Singapore, Thailand, Malaysia and the Philippines, which all hit record highs.

In Singapore, frantic buying sent the 30-share Straits Times Industrial index up 2.24 percent, to 52.09 points, to 2,378.43. The Kuala Lumpur Stock Exchange followed suit, led by foreign buying of blue chips.

In Bangkok, the SET index surged 2.75 percent to break through the 1,600 barrier, closing at 1,608.12 in active trade. The Manila composite index zoomed about 173 points, closing at a record 3,170.62.

The composite index tumbled 1.52 percent, to 114.86, as Tokyo plunged 2.31 percent to 16,819.88.

Shock Therapy Not Good For All That Ails Russia

By Peter Passell

NEW YORK — Startling events have a way of focusing the attention of an otherwise distracted body politic, and few events in recent months have been as startling as the rise of Vladimir V. Zhirinovskiy, Russia's 1993-style bully boy with a 1990s flair for television.

That idea plays well in both Washington and Moscow. No wonder. It places the blame on the shoulders of ivory-tower theorists and callous technocrats rather than the people nominally in charge.

These days, she is recommending three stocks: Vista, a clothing company, and Korsico, a glass manufacturer for the short term and Zwick, a brewer, for the long term.

When it started, the exchange was an immediate hit. "The Poles were anxious to prime the capitalist pump, and the shares were offered at very good prices," said Paddy Shanahan, head of the European Equities

polls. Vice President Al Gore said, shows that economic reformers have asked excessive sacrifice from the already-humbled Russian masses.

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central bank, undercut the reformers' ambitious plans. The only changes of enduring consequence, Mr. Fischer notes, were the initial price liberalization and the ambitious start to privatization.

But the Communist-dominated parliament balked, and friends in the cabinet of the entrenched state enterprises, notably Prime Minister Viktor S. Chernomyrdin and Viktor V. Gerashchenko, the head of

See SHOCK, Page 11

INTERNATIONAL STOCKS

Polish Market Is Eastern Europe's Star

By Jane Perlez

WARSAW — Wieslaw Roznicki has a problem. The Warsaw Stock Exchange index has soared 700 percent this year, and so Mr. Roznicki, the president of what some financial analysts are calling the world's strongest performing market in 1993, is wondering how he can sustain the success.

"Certainly no other market has done so well this year," Mr. Roznicki said at the end of a hectic trading day in a room that used to be the library in the Communist Party headquarters. "The question is: how long can it continue?"

Of course success is relative, and the Warsaw exchange must be put in perspective. With only 22 listed stocks and total market capitalization of about \$1.9 billion, some call it a "pre-emerging" market.

There are imperfections. It is tiny and illiquid," said David Roche, global strategist with Morgan Stanley & Co. in London.

But Mr. Roche is still a bull on Polish stocks. He likes to compare the exchanges of Poland and China. "Emerging markets are all the rage, especially China," he added. "But often the most fashionable is not the most profitable."

The Warsaw market began to attract the attention of Poles and outsiders this year for a number of reasons. Founded in April 1991, it became clear after two years of operation that the exchange was well run.

There is more depth of trading here than in the rest of Eastern Europe," said Allan Hirst, general manager of Citibank in Poland. "They have done a very good job of

popularizing the image of the market among the people and the institutions." Mr. Hirst said foreign investors' confidence in the exchange was enhanced by the Polish Securities Commission, which demands high standards of prospectus information and has stiff disclosure requirements.

Because of these requirements, the number of listed companies was smaller than they might otherwise have been, he said.

On its busiest trading day so far, last Thursday, a modest 1.7 trillion zlotys (\$84.2 million) worth of shares changed hands. The exchange also hit its record high that day, 12,106 points on the all-share WIG index, up 6.6 percent for the session.

Even those most bullish on the Polish market, like Mr. Roche, know it cannot keep on going up at the current rate. "It looks kind of expensive," he said. Indeed, prices have reached more than 32 times earnings on average, according to Reuters.

When it started, the exchange was an immediate hit. "The Poles were anxious to prime the capitalist pump, and the shares were offered at very good prices," said Paddy Shanahan, head of the European Equities

division at Cresvale, an international financial services company that invested in the exchange early on but has since sold out as shares have gotten more expensive.

Also helping was the fact that Poland cut interest rates in February, prompting an increasing number of small investors to switch some of their savings deposits into shares.

The number of Polish investors has increased to 200,000, Mr. Roznicki said, with an average of 10,000 to 20,000 transactions daily, far exceeding the 150 transactions daily in Budapest.

At the same time, foreign investors increased, drawn, in part, by new stock flotations. By June, about 20 to 25 percent of the investors were foreigners, mostly investment funds interested in emerging markets.

Suzanne Patrick, a vice president of Amhold & S. Blochroeder Inc., a Manhattan securities firm, has been recommending the Warsaw exchange for about a year to investors "who want to be way ahead of the pack."

These days, she is recommending three stocks: Vista, a clothing company, and Korsico, a glass manufacturer for the short term and Zwick, a brewer, for the long term.

"Our market is dominated by individual shareholders who are mainly short-term speculators, and the institutional sector is very weakly developed," said Mr. Roznicki, a former adviser to the Finance Ministry. "I don't think this is a positive state."

He said he hoped new listings next year — about eight in the first six months — would "calm down the market."

Reginald Dale is on vacation. His Thinking Ahead column will resume in January.

Malaysia Sets Up 2d Carmaker

By Peter Passell

KUALA LUMPUR — Malaysia launched its second car company on Monday, a joint venture with Daihatsu Motor Co. of Japan to make zippy, compact vehicles for Malaysia's rapidly growing middle class and increasingly affluent workers.

"It will be affordable and economical," said Prime Minister Mahathir bin Mohamad after he unveiled the name of the company, Perusahaan Otomobil Kedua Sdn., or Perodua.

The first Perodua vehicles are to roll off the assembly line in July and go on sale in September, said Raja Mohar Raja Badzozaman, chairman of the consortium.

The car, to cost about 25,000 ringgit (\$9,500), is aimed at first car owners, motorcycle owners who want to upgrade, and families wishing a second car, he said.

The Perodua is the brainchild of Mr. Mahathir, who felt that Malaysia's first car, the Proton Saga, which was built in cooperation with Mitsubishi Motors Corp., had become too expensive for most first-time car buyers, industry sources said.

A standard, no-frills Proton now costs about 33,000 ringgit, compared with 19,000 when it was launched in 1985.

The new car will be built at a new plant in Seremban, a town near Kuala Lumpur, which will produce about 20,000 cars in the first year with an initial local content of 50 percent, said Perodua's managing director, Ho Teh Kehong. The plant has the capacity to eventually build 45,000 cars a year.

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CURRENCY & INTEREST RATES

Table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Forward Rates. Includes exchange rates for various currencies and interest rates for different terms.

MARKET DIARY

Shaky Yen Allows Dollar to Advance

NEW YORK — The dollar firmed Monday against most major currencies as the market focused on the yen and fears that Japan would be unable to turn its ailing economy around in the near term.

Foreign Exchange

The dollar closed at 111.45 yen, up from a close on Thursday of 110.65 yen. It also climbed to 1.7010 Deutsche marks and 1.4435 Swiss francs.

STOCKS: European Records

Continued from Page 9 France's CAC-40 index of blue-chip stocks rallied for the fourth straight day to close at a record, with prices boosted by hopes of lower interest rates next year.

The Dow Jones industrial average, or economically sensitive, components and its oil companies gave the key barometer a lift.

Oil issues, led by Chevron, Exxon and Texaco, were higher as the oil sector rallied after Oppenheimer & Co. upgraded its ratings on a number of oil stocks.

Indonesia Fund Inc. jumped 6% to 2.3%. The Indonesian government said seven blue-chip companies, including four in the hotel industry, reported record profits for 1993.

The Swiss Market Index, which tracks the top 18 blue-chip stocks, advanced 3.20 points, to 2,972.60. Traders said movement in the index was likely to be upward because of the strong franc and the prospect of interest-rate cuts early next year.

MAZDA: Japanese Automaker Says There'll Be More Ford in Its Future Continued from Page 1 on Monday as a result of reports in Japanese newspapers that Ford would be offering some kind of help.

Mazda said in its announcement: "In order to strengthen the competitiveness of each company, Mazda and Ford have agreed that their cooperation should evolve from its present form, primarily a project-by-project approach, to one with improved potential for long-term strategic planning and cooperation."

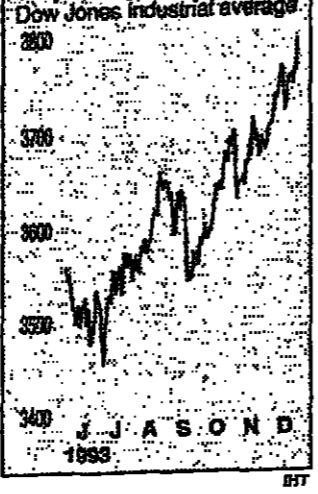
Evidently lacking this kind of planning in recent years, Mazda failed to come to terms with Ford for joint production of autos in Europe. That left Mazda as the only major Japanese auto company without a production base in that critical market.

The statement on Monday added that the cooperation would be focused on the development of new auto models and on manufacturing. It also said that the goal was to use existing plants and facilities more efficiently, rather than to expand or develop new plants.

Yoshihiro Wada, Mazda's president, sought to blunt speculation about mergers or other extensive tie-ups by saying the new arrangement would make the two companies more competitive "while maintaining our respective identities."

The entire Japanese auto industry has been hit hard in the last two years by falling demand in Japan, which is in the midst of a deep, stubborn recession, and declining market share

The Dow



1985 1993

Table with columns: Vol., High, Low, Last, Chg. for various NYSE Most Active stocks.

Table with columns: Vol., High, Low, Last, Chg. for various AMEX Most Active stocks.

Table with columns: Adv., Unch., Total for NYSE Diary.

Table with columns: Adv., Unch., Total for Amex Diary.

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Dow Jones Averages

Table with columns: Open, High, Low, Last, Chg. for Dow Jones Averages.

Table with columns: High, Low, Last, Chg. for Standard & Poor's Indexes.

Table with columns: High, Low, Last, Chg. for NYSE Indexes.

Table with columns: High, Low, Last, Chg. for NASDAQ Indexes.

Table with columns: High, Low, Last, Chg. for AMEX Stock Index.

Table with columns: High, Low, Last, Chg. for Dow Jones Bond Averages.

Table with columns: High, Low, Last, Chg. for Market Sales.

Table with columns: High, Low, Last, Chg. for N.Y.S.E. Odd-Lot Trading.

Table with columns: High, Low, Last, Chg. for S&P 100 Index Options.

Table with columns: High, Low, Last, Chg. for NYSE Most Active.

Table with columns: High, Low, Last, Chg. for Amex Most Active.

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EUROPEAN FUTURES

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Table with columns: High, Low, Last, Chg. for Spot Commodities.

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U.S. AT THE CLOSE

Hotel Adds to Host Marriott's Woes

WASHINGTON (Combined Dispatches) — Host Marriott Corp. has disclosed that it seized a 28.6 percent interest in the Marriott Marquis hotel in New York City after a former partner defaulted on a loan related to the hotel, adding \$75 million in balance-sheet debt to the hotel when it was Host Marriott, which started off with \$2.2 billion in debt when it was spun off from Marriott Corp. in October, disclosed in a filing with the Securities and Exchange Commission that it seized the stake after the Atlanta real estate developer John Portman defaulted on a loan related to the landmark atrium hotel.

Beatrice Holders to Sell Shares

WASHINGTON (Bloomberg) — A group of TLC Beatrice International Holdings Inc. shareholders has filed with the Securities and Exchange Commission to sell as many as 1.69 million common shares. A TLC Beatrice spokesman said Monday that he thought the registration was part of a shareholder campaign to bring Beatrice public. In late September, a group of shareholders launched a campaign to force the company to go public and also protested Beatrice's interest in buying the Baltimore Orioles baseball team.

Chrysler Sells 2 Million Cars

HIGHLAND PARK, Michigan (UPI) — Chrysler Corp. reported Monday it had sold 2 million vehicles this year, a mark it last achieved on the last day of 1989. The automaker said it would have a market share this year of 14.5 percent, well above the 13.1 percent it held in 1992, and its best figure since 1970, when it had 14.6 percent of the market. The company's best U.S. market share came in 1968, when it hit 15 percent.

Saudi Pays U.S. to End BCCI Charge

NEW YORK (Reuters) — A Saudi Arabian financier and his associate have paid \$225 million as part of an agreement with U.S. authorities to dismiss charges that they conspired to steal over \$300 million from depositors in the failed Bank of Credit & Commerce International. Under the settlement, announced Monday by the Manhattan District Attorney's office, the payment was made on behalf of Sheikh Khalid bin Mahfouz, former chief operating officer of the National Commercial Bank of Saudi Arabia, and Haroon Kahlon, a former bank executive.

Weekend Box Office

Table with columns: Rank, Title, Gross, Weeks, etc. for the weekend box office.

Late Holiday Shopping Rescues U.S. Retail Sales

NEW YORK — When U.S. retailers locked their doors Friday evening after a 29-day holiday season that began the day after Thanksgiving, many were relieved that a late surge of shopping produced modestly respectable sales. "It was explosive the last few days before Christmas," said Walter F. Loebl, a retailing consultant. "Customers were rushing to the stores." Rough estimates of year-to-year increases in holiday sales provided by store executives ranged from 7 to 9 percent at Sears, Roebuck & Co. to 2 to 3 percent at Federated Department Stores Inc.

U.S. FUTURES

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WORLD STOCK MARKETS

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Spanish Rates To Fall in '94 If Europe Permits

Compiled by Our Staff From Dispatches
MADRID — Spanish interest rates will fall in 1994 but the extent of the drop will depend on the evolution of inflation and short-term rates in the rest of Europe, the minister of economy and finance, Pedro Solbes, said Monday.

"A further reduction in interest rates in 1994, will be intimately connected, in addition to the inflation trend in our country, to the interest rates in other European countries," Mr. Solbes said.

He said the economy would benefit in 1994 from the rate declines seen in 1993, the structural reforms being implemented by the government and a better outlook for the international economy.

Mr. Solbes repeated a forecast of 1.3 percent growth in gross domestic product in 1994, with 1.2 percent of the economic growth coming from external demand and 0.1 percent domestically driven.

While Spain's benchmark marginal interest rate on securities repurchase certificates, now 9 percent, has fallen 475 points this year, it is one of the highest in Europe.

Mr. Solbes said that keeping inflation under control would be a key part of economic policy in 1994. Spain's annual inflation rate is expected to be 4.7 percent at year-end, up from government's prediction of 4.5 percent.

Mr. Solbes said the government would freeze wages in the public sector in 1994 and still wants to see a three-year wage pact in the private sector that would allow a drop in purchasing power of five points.

He said the government would support any initiative by unions and management of companies on a wage agreement but added that such a move would be better coordinated with the government.

Mr. Solbes said the Spanish government would also seek to maintain the stability of the peseta in the coming year. (APX, Bloomberg)

German Stocks Stay Strong DAX Is Seen Gaining 10% to 15% in 1994

By Sarah Utley
AFP-Excl News
FRANKFURT — German stock prices will rise to record levels in 1994 as the recent rally persists, though at a moderate pace, many analysts predicted.

They forecast the DAX index of 30 leading shares would hit 2,500 or 2,600 by the end of next year as a result of high liquidity, expectations of falling domestic interest rates and hopes for a clear economic upturn.

The promise of rate cuts, which was largely fulfilled, helped boost the DAX index by 45.9 percent so far in 1993, to a record close of 2,253.98 on Monday.

Although uncertainty surrounding Germany's legislative elections next year may disrupt the upward trend temporarily, cash-rich foreign and domestic funds are still underweight in German stocks and will quickly re-enter the market once they think it looks cheap, analysts said.

"Next year will be a year for stocks," said Commerzbank's chief securities trader, Klaus Holschuh, noting that against a backdrop of declining interest rates, investors will increasingly switch out of bonds into equities.

The Bundesbank is expected to pursue its policy of gradual rate cuts in 1994. Many economists forecast the discount rate will fall as low as 4.0 percent by year-end from 5.75 percent now.

Analysts agreed that interest-sensitive stocks such as banks and insurers would lead the gainers in early 1994.

Norbert Bart, an equities analyst at Société Générale, said: "It's inevitable that German interest rates will continue to fall, and this will be the driving force behind the stock market rally in the first few months of next year."

Merrill Lynch & Co.'s chief international equity strategist,

'Next year will be a year for stocks.'

Klaus Holschuh, Commerzbank's chief securities trader.

Thomas Robinson, said while the German stock market is "probably the most unattractive in Europe" as far as price/earnings ratios are concerned, U.S. fund managers will continue to invest in it strongly as long as the Bundesbank keeps easing interest rates.

The market is expected to consolidate in the spring with the start of Germany's state elections, and then cyclical are expected to step into the limelight in anticipation of an economic upturn, analysts said.

The Ifo institute for economic research has forecast Germany's gross domestic product will grow 1.5 percent in 1994 after contracting 1.5 percent this year.

Extensive cost-cutting measures introduced this year are expected to show a marked impact on corporate earnings by mid-1994, analysts said.

Commerzbank said a survey of about 170 publicly traded German companies showed profits were expected to grow by an average of 26.9 percent in 1994 after declining 12.6 percent this year.

Mr. Bart said January and February would be strong months for the German stock market as insurance companies will want to invest premium income received at the beginning of the year. The DAX could push to around 2,300 in this period, he said.

Gerhard Grebe, an equities analyst at Bank Julius Bar, said the "jitters will start in the spring," as Germany's state elections and the annual earnings season get under way.

Mr. Grebe sees the DAX index consolidating in the March-June period.

By summer, the market will be looking for concrete signs of a clear German economic turnaround. "There is a danger that the transition from an interest-driven market to an economy-driven market may not be a smooth one," Mr. Grebe said.

If the German economy does fulfill investors' expectations, then the DAX index will probably rise as high as 2,400-2,500 by year-end, he said.

Jörg Grönberg, head of Commerzbank's equities department, said that as the recovery gets underway, cyclical and profit-sensitive industrials such as cars and metalworking stocks will be among the strongest performers.

DG Bank said the DAX has upward potential to 2,600 by the end of 1994.

Gén. des Eaux Lifts Stake in FNAC to 34%

Bloomberg Business News
PARIS — A real estate unit of Compagnie Générale des Eaux SA, the diversified water company, said Monday it would pay 405.5 million francs (\$70 million) to raise its stake in FNAC to 34 percent.

FNAC is France's biggest combination retailer of books and compact disks.

The Générale des Eaux unit, Compagnie Immobilière Phénix, now holds a 17.7 percent stake in FNAC. Phénix and Alnus Finance, a unit of Credit Lyonnais that is the majority shareholder in FNAC, agreed last summer that Phénix could increase its FNAC stake to a maximum of 34 percent by the end of the year. Alnus will retain a majority stake in the retailer.

The transaction is set to take place later this week, when FNAC resumes trading on the Paris cash market. Phénix said it will turn over its FNAC shares to Générale des Eaux early in 1994.

The question is what the two groups plan to do with FNAC now, said Patrick Jousseume, an analyst at the Ferri brokerage, referring to Générale des Eaux and Crédit Lyonnais. "One tends to wonder whether this is merely a financial maneuver and they plan to sell it, or if they have real plans for FNAC."

Press reports have said Générale des Eaux and FNAC represent a natural match, on the basis of a 20.4 percent stake Générale des Eaux holds in the pay-television station Canal Plus and FNAC's cultural products. The reports also say FNAC could provide a distribution network for Générale des Eaux's growing line of telecommunications products, such as mobile telephones.

Investor's Europe

Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	149.80	147.90	+1.28
Brussels	Stock Index	Closed	7,449.28	
Frankfurt	DAX	2,253.98	2,222.84	+1.40
Frankfurt	FAZ	851.67	844.38	+0.86
Helsinki	HEX	1,665.02	1,659.96	-0.31
London	Financial Times 30	Closed	2,548.40	
London	FTSE 100	Closed	3,396.50	
Madrid	General Index	323.71	322.06	+0.51
Milan	MIB	1,345.00	1,345.00	Unch.
Paris	CAC 40	2,276.55	2,243.02	+1.48
Stockholm	Affarsveirden	1,617.83	1,612.71	+0.31
Vienna	Stock Index	482.12	475.00	+1.50
Zurich	SBS	1,018.85	1,011.51	+0.23

Sources: Reuters, AFP
International Herald Tribune

Very briefly:

- Sachsring-Automobiltechnik GmbH, the plant that made the Trabant, was bought for 8 million Deutsche marks (\$4.7 million) by two West German brothers who plan to make electric cars there.
 - Deutsche Bundespost Telekom and Société Européenne des Satellites, operator of the Astra satellite, plan a joint venture to develop the digital transmission of satellite and cable TV and radio services. SES said the German company would also take a stake of around 15 percent in it.
 - Malev, the Hungarian airline, is expected to post a loss of 1 billion forints (\$10 million) this year, the daily Nepszabadsag reported; the loss is partly due to the forint's devaluation, which made a loan for the purchase of aircraft more costly.
 - Elf Aquitaine and Hunt Oil Co. have resumed oil prospecting in eastern Niger after a year's halt to operations.
 - The French federation of insurance companies said damages payments after natural catastrophes in France in 1993 would be "well above" 2 billion francs (\$346 million).
 - Pechiney SA said it had not ruled out closing the Lannemezan and Aznat plants in the Pyrénées if the aluminum market doesn't improve.
- UPL, APX, AFP

East German Output Rises

AFP-Excl News
BONN — East German industrial output rose 7.5 percent in October from September and was 15.6 percent higher than a year earlier, the Economics Ministry said Monday.

In September, industrial output had shown a 11.5 percent increase from August and was up 9.2 percent from a year ago.

The ministry, which said the improvement reflected a "significant increase in East German industrial activity," attributed the October rise to a 14.5 percent month-to-month rise in mining industry output, a 15 percent rise in construction and a 23.5 percent rise in gas and electricity output.

CCF Sues London Borough Over Interest-Rate Swaps

Reuters
PARIS — A French bank said on Monday it was suing the London borough of Hammer-smith and Fulham, alleging fraud in the latest twist of a saga in which dozens of banks lost up to \$900 million.

A spokeswoman for Crédit Commercial de France said the move followed a decision by the English Court of Appeal this month to uphold a High Court order that another London borough, Islington, pay £1.14 million (\$1.7 million) to Germany's Westdeutsche Landesbank. She refused to say how much was

being claimed by CCF, which has played a leading role in five years of battles with British councils and the courts over interest-rate swaps.

Banks said the swaps problems cost about 80 international banks around \$600 million (\$900.1 million). During the 1980s, many British local authorities made millions by agreeing to pay banks variable market interest-rate payments in return for a fixed-interest income — an interest rate swap. But the councils subsequently lost money when market rates rose sharply above the rates they were receiving.

VIACOM: New Bid a Tough Call SHOCK: A Partial Treatment

Continued from Page 9
Monday they fell 25 cents, to \$46.50, in late trading.

Paramount's stock fell 62.5 cents, to \$78, on Monday and QVC's stock lost 75 cents, to \$39.25, movements that seemed to show investor doubts over Viacom's chances of putting together a new, higher bid.

In any new investment, Blockbuster or Nynex may want a lower conversion price, an arrangement that would dilute Viacom's stock, several analysts said. Blockbuster and Nynex may also want more control of Viacom; but Mr. Redstone has voting control and is reluctant to give it up.

Mr. Redstone could also turn to

banks, which have agreed to lend Viacom \$3 billion. Mr. Londoner of Wertheim Schroeder said he believed that with the cash flow from a combined Viacom and Paramount of \$1.1 billion, Mr. Redstone could borrow more money.

Another option for Mr. Redstone would be to obtain financing from National Amusements, a company he controls.

With the Jan. 7 deadline for another Paramount bid nearing, one person close to Viacom said "money is not the issue." He said the question was whether Viacom wanted to go forward given how costly the purchase of Paramount had become.

Continued from Page 9
 ple, he said, the destruction of private savings and the bewildering scramble for personal security in the teeth of "one of the great income redistributions in history," have largely been results of the failure to stop inflation.

Even those who favor a gradual approach agree that the United States has muddled the story: "Shock therapy is only applied for four months," says Padma Desai, an economist at the Harriman Institute of Columbia University.

Most frustrating to the shock therapists is what they see as the nonstrategy behind the White House's response to the Zhir-

ovsky "wake-up call." It sounds fine to settle for a little less shock, but that does not translate into a policy, Mr. Sachs said.

If so good is to come from the U.S. administration's belated discovery that a failed Russia may still prove a malevolent force, Mr. Sachs suggested, time is of the essence. At the top of his to-do list is a commitment to past agreements, with Mr. Yeltsin's government hunkering down on inflation in return for sufficient help from the outside to finance a social safety net for retirees and the unemployed, convert salvageable military industries and provide the start-up capital for thousands of new businesses.

Fewer Jobless in 7 OECD States

Agence France-Press
PARIS — Unemployment fell in November in seven of the 24 member countries of the Organization of Economic Cooperation and Development, the organization reported Monday.

Among the countries in which joblessness receded in November from October, the OECD report said, were Australia, to 11 percent from 11.1 percent; Britain, to 10 percent from 10.2 percent; Canada, to 10.9 percent from 11.1 percent;

Sweden, to 8.4 percent from 8.5 percent; and the United States, to 6.3 percent from 6.7 percent.

Supplementary figures for the previous month showed that unemployment had risen in October by an average of 0.1 percentage point in all OECD countries to reach 8 percent of the work force.

Average unemployment in October 1992 in OECD member countries had totaled 7.5 percent. Average unemployment in European OECD members remained stable at 10.9 percent in October.

NASDAQ

Monday's Prices
 NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	12 Month Low	Div	Yld	PE	52 Wk High	52 Wk Low	Open	Close	Change
100	80	1.00	4.00	10	100	80	95	95	0
120	100	1.20	4.00	10	120	100	110	110	0
140	120	1.40	4.00	10	140	120	130	130	0
160	140	1.60	4.00	10	160	140	150	150	0
180	160	1.80	4.00	10	180	160	170	170	0
200	180	2.00	4.00	10	200	180	190	190	0
220	200	2.20	4.00	10	220	200	210	210	0
240	220	2.40	4.00	10	240	220	230	230	0
260	240	2.60	4.00	10	260	240	250	250	0
280	260	2.80	4.00	10	280	260	270	270	0
300	280	3.00	4.00	10	300	280	290	290	0
320	300	3.20	4.00	10	320	300	310	310	0
340	320	3.40	4.00	10	340	320	330	330	0
360	340	3.60	4.00	10	360	340	350	350	0
380	360	3.80	4.00	10	380	360	370	370	0
400	380	4.00	4.00	10	400	380	390	390	0
420	400	4.20	4.00	10	420	400	410	410	0
440	420	4.40	4.00	10	440	420	430	430	0
460	440	4.60	4.00	10	460	440	450	450	0
480	460	4.80	4.00	10	480	460	470	470	0
500	480	5.00	4.00	10	500	480	490	490	0
520	500	5.20	4.00	10	520	500	510	510	0
540	520	5.40	4.00	10	540	520	530	530	0
560	540	5.60	4.00	10	560	540	550	550	0
580	560	5.80	4.00	10	580	560	570	570	0
600	580	6.00	4.00	10	600	580	590	590	0
620	600	6.20	4.00	10	620	600	610	610	0
640	620	6.40	4.00	10	640	620	630	630	0
660	640	6.60	4.00	10	660	640	650	650	0
680	660	6.80	4.00	10	680	660	670	670	0
700	680	7.00	4.00	10	700	680	690	690	0
720	700	7.20	4.00	10	720	700	710	710	0
740	720	7.40	4.00	10	740	720	730	730	0
760	740	7.60	4.00	10	760	740	750	750	0
780	760	7.80	4.00	10	780	760	770	770	0
800	780	8.00	4.00	10	800	780	790	790	0
820	800	8.20	4.00	10	820	800	810	810	0
840	820	8.40	4.00	10	840	820	830	830	0
860	840	8.60	4.00	10	860	840	850	850	0
880	860	8.80	4.00	10	880	860	870	870	0
900	880	9.00	4.00	10	900	880	890	890	0
920	900	9.20	4.00	10	920	900	910	910	0
940	920	9.40	4.00	10	940	920	930	930	0
960	940	9.60	4.00	10	960	940	950	950	0
980	960	9.80	4.00	10	980	960	970	970	0
1000	980	10.00	4.00	10	1000	980	990	990	0

NYSE

Monday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month High	12 Month Low	Div	Yld	PE	100s	High	Low	Latest	Chg
IBM	120.00	3.00	4.5	15	100	120.00	118.00	119.00	+1.00
Microsoft	100.00	0.00	0	25	100	100.00	95.00	98.00	+3.00
Apple	80.00	0.00	0	20	100	80.00	75.00	78.00	+3.00
Oracle	60.00	0.00	0	15	100	60.00	55.00	58.00	+3.00
Lucent	40.00	0.00	0	10	100	40.00	35.00	38.00	+3.00
Motorola	30.00	0.00	0	10	100	30.00	25.00	28.00	+3.00
Intel	20.00	0.00	0	10	100	20.00	15.00	18.00	+3.00
Comcast	15.00	0.00	0	10	100	15.00	10.00	14.00	+3.00
Verizon	10.00	0.00	0	10	100	10.00	5.00	9.00	+3.00
AT&T	5.00	0.00	0	10	100	5.00	0.00	4.00	+3.00

12 Month High	12 Month Low	Div	Yld	PE	100s	High	Low	Latest	Chg
IBM	120.00	3.00	4.5	15	100	120.00	118.00	119.00	+1.00
Microsoft	100.00	0.00	0	25	100	100.00	95.00	98.00	+3.00
Apple	80.00	0.00	0	20	100	80.00	75.00	78.00	+3.00
Oracle	60.00	0.00	0	15	100	60.00	55.00	58.00	+3.00
Lucent	40.00	0.00	0	10	100	40.00	35.00	38.00	+3.00
Motorola	30.00	0.00	0	10	100	30.00	25.00	28.00	+3.00
Intel	20.00	0.00	0	10	100	20.00	15.00	18.00	+3.00
Comcast	15.00	0.00	0	10	100	15.00	10.00	14.00	+3.00
Verizon	10.00	0.00	0	10	100	10.00	5.00	9.00	+3.00
AT&T	5.00	0.00	0	10	100	5.00	0.00	4.00	+3.00

CHIPS: Japan's Output of Consumer Electronics Is Shrinking Rapidly

Continued from Page 1

panies battered by the economic slump at home, market saturation for such leading products as color televisions, compact-disk players, videocassette recorders and others, the rise of the yen and competition from abroad.

Although consumer electronics suffered the sharpest decline, production of computers, copiers, calculators and components also fell in 1993.

Overall, it is estimated, Japanese output of electronic equipment and components dropped 5.9 percent in 1993, the second consecutive

decline, to 20.94 trillion yen. The preliminary figures are often revised later.

About the only bright spots were increases in production of liquid-crystal display screens and computer chips to feed a boom in personal computer sales in the United States.

The industry association projected that total electronic output would inch up by 0.7 percent in 1994. But even that estimate may be optimistic. The association also predicted gains in output in the previous two years.

The fall in electronics production has led to sharply lower earnings or losses at virtually all

Japanese electronics companies. Most of those are cutting their payrolls by thousands of employees, though they are trying to avoid outright layoffs. Some factories have been closed. Some of the problems plaguing the industry, such as the strong yen and a lack of standout products, will continue even after the economy recovers.

The rise of the yen this year against the dollar and other leading currencies accelerated the shift to offshore production. In 1993 for the first time, Japan imported more color television sets, mostly from Japanese-owned factories in Southeast Asia, than it exported.

12 Month High	12 Month Low	Div	Yld	PE	100s	High	Low	Latest	Chg
IBM	120.00	3.00	4.5	15	100	120.00	118.00	119.00	+1.00
Microsoft	100.00	0.00	0	25	100	100.00	95.00	98.00	+3.00
Apple	80.00	0.00	0	20	100	80.00	75.00	78.00	+3.00
Oracle	60.00	0.00	0	15	100	60.00	55.00	58.00	+3.00
Lucent	40.00	0.00	0	10	100	40.00	35.00	38.00	+3.00
Motorola	30.00	0.00	0	10	100	30.00	25.00	28.00	+3.00
Intel	20.00	0.00	0	10	100	20.00	15.00	18.00	+3.00
Comcast	15.00	0.00	0	10	100	15.00	10.00	14.00	+3.00
Verizon	10.00	0.00	0	10	100	10.00	5.00	9.00	+3.00
AT&T	5.00	0.00	0	10	100	5.00	0.00	4.00	+3.00

INTERNATIONAL FUNDS

Dec. 27, 1993

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quoted based on prices. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly (every two weeks); (r) - regularly; (i) - twice weekly; (m) - monthly.

Fund Name	Net Asset Value	Change	Yield	PE
ABC INVESTMENT SERVICES CO (I.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (II.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (III.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (IV.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (V.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (VI.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (VII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (VIII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (IX.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (X.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XI.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XIII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XIV.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XV.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XVI.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XVII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XVIII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XIX.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XX.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XXI.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XXII.E.)	10.50	+0.10	4.5	15
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ABC INVESTMENT SERVICES CO (XXXV.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XXXVI.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XXXVII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XXXVIII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XXXIX.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XL.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XLI.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XLII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XLIII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XLIV.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XLV.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XLVI.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XLVII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XLVIII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (XLIX.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (L.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LI.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LIII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LIV.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LV.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LVI.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LVII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LVIII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LIX.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LX.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LXI.E.)	10.50	+0.10	4.5	15
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ABC INVESTMENT SERVICES CO (LXVII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LXVIII.E.)	10.50	+0.10	4.5	15
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ABC INVESTMENT SERVICES CO (LXXXXVII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LXXXXVIII.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LXXXXIX.E.)	10.50	+0.10	4.5	15
ABC INVESTMENT SERVICES CO (LXXXXX.E.)	10.50	+0.10	4.5	15

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سوق من الامل

Shanghai Opens Yuan Business to Foreign Banks

Compiled by Our Staff From Dispatches
BEIJING — In a long-awaited breakthrough for foreign banks, Shanghai will let five of them do some business in Chinese currency next year, a banking official has announced.

Citicbank, Hongkong & Shanghai Banking Corp., Dai-ichi Kangyo Bank, Credit Lyonnais and Bank of Tokyo Ltd. will become the first foreign banks allowed to conduct business in yuan, also called renminbi, since the Communists swept to power in 1949, the official told the English-language Shanghai Star.

"We will try to open, with restraint, renminbi business to overseas financial institutions next year," Mao Yimfang, president of the People's Bank of China Shanghai branch, was quoted as saying in the paper's weekend edition.

Foreign banks are now restricted to hard-currency operations, and concentrate on the mushrooming number of joint ventures along the Chinese coast.

It was not clear whether cities other than Shanghai would open yuan business to foreign banks.

The move will not give foreign banks access to retail banking in Shanghai — an attractive prospect given the high rate of domestic savings — since they are not allowed to establish a branch network.

China to Intervene On Currency Level

Bloomberg Business News
BEIJING — China's top currency policymaker says Beijing will intervene on currency markets and clamp down on unofficial money changers to keep the yuan stable during its float next year, the China Business Times reported Monday.

Yang Goupin, policy director at the State Administration for Exchange Control, told the paper it was "extremely important" to stabilize the yuan after its official exchange rate is abolished and currency markets set a single rate.

"We will take economic and administrative measures to prevent abnormal fluctuations on the market, intervene to a certain degree, strictly forbid off-market exchange, and crack down on the black market," Mr. Yang said.

Banking Fortress Besieged Manila Tries to Crack Domestic Cartel

Bloomberg Business News
MANILA — For nearly half a century, the Philippine banking industry has been the domain of the country's elite, an economic fortress protected from foreign competition by government regulations.

Now President Fidel V. Ramos is trying to admit more foreign banks, over resistance from local bankers. The battle over banking liberalization has emerged as the most important test yet of Mr. Ramos' plans to deregulate industry and break up cartels run by the country's big families.

It is also seen as a critical step in an effort to shrink the economic gap between the Philippines and its vibrant neighbors in the Association of Southeast Asian Nations, all of which have more liberal foreign banking policies.

"To my mind, the country's banking system has been the cause of Philippine underdevelopment," said Ed Morato, a professor at the Asian Institute of Management in Manila. "Basically, it's a cartel run by men who want to make sure that the profits stay within the system."

Since the enactment of the 1948 General Banking Act, only four foreign banks have been allowed to operate in the Philippines: Citibank, Bank of America, Hongkong & Shanghai Banking Corp. and Standard Chartered Bank. Thirty-two domestic banks control about 85 percent of total assets. By comparison, Indonesia boasts 40 foreign banks, Singapore 35, Malaysia 16 and Thailand 14.

The 1948 law also limits those four banks to three branches and restricts foreigners to ownership of no more than 40 percent of local institutions.

Government protection has allowed a handful of families to control the financial system, and use it to build huge conglomerates benefiting from cheap loans, banking analysts said.

The results, according to critics, are mammoth profits for the banks, high borrowing costs for small and medium-sized businesses and poor service.

The Philippine banking industry is the second-most-profitable in the region, after Indonesia's, according to a study by the Center for Research

Seoul Eases Rules on Investment

Agence France-Press
SEOUL — South Korea freed conglomerates from old restrictions on buying shares and land on Monday as President Kim Young Sam called for "bold deregulation" to prepare local companies for competition after the Uruguay Round of talks under the General Agreement on Tariffs and Trade.

The Ministry of Finance announced that as of Jan. 20, all but the 10 biggest of the country's 30 largest business conglomerates would be free to buy shares of other companies and real estate.

Current and all 30 top conglomerates have had to sell shares or real estate in order to buy new stock or property, or face credit cut-offs by local banks, which are tightly controlled by the government.

The Ministry of Finance said the conglomerates concerned would also be allowed to invest in properties, including golf courses and ski slopes, that have so far been out of their reach because of a government policy against land speculation.

The big companies, known as chaebols, will continue to be banned from borrowing money from banks to buy real estate, which government authorities regard as speculative investment.

For the top 10 conglomerates, the restrictions on buying shares and property will remain until 1996.

The restrictions were imposed in 1974 in an effort to curb the concentration of economic power in the hands of chaebols and damp land speculation led by them.

Investor's Asia

Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	2,378.48	2,326.78	+2.22
Singapore	Straits Times	Closed	2,069.20	
Sydney	All Ordinaries	16,819.88	17,141.11	-1.87
Tokyo	Nikkei 225	1,205.28	1,178.46	+2.28
Kuala Lumpur	Composite	1,598.12	1,565.12	+2.75
Bangkok	SET	873.88	861.42	+1.45
Seoul	Composite Stock	5,481.58	5,320.38	+3.22
Taipei	Weighted Price	3,170.62	2,997.46	+5.78
Manila	Composite	585.94	587.34	+1.54
Jakarta	Stock Index	Closed	2,108.38	
New Zealand	NZSE-40	Closed	N.A.	
Bombay	National Index	Closed	N.A.	

Very briefly:

- Taiwan Aerospace Corp. will reopen negotiations with British Aerospace PLC in January on a suspended joint venture valued at \$775 million to assemble regional jets, the China Times reported.
- Kirin Brewery Co. employees were found guilty of paying over 30 million yen (\$270,000) to keep racketeers from disrupting an annual stockholders' meeting, a court spokesman said.
- South Korea's two-way trade with North Korea in the first 11 months of this year totaled \$185 million, down slightly from \$199 million during the same period last year, government officials said Monday.
- China's foreign trade will reach \$192 billion this year, an increase of 11.7 percent over 1992, with imports rising by more than a quarter, predicted Foreign Trade and Economic Cooperation Minister Wu Yi.

Japan Data Show Economy Is Still Weak

Compiled by Our Staff From Dispatches
TOKYO — In the latest indication that Japan's economy is still stuck in a low gear, the government said Monday that industrial production rose 1.8 percent in November from October but dropped 3.6 percent from November 1992.

Since the index hit a record low in October, November's slight month-on-month rise does not hint at economic recovery, economists said.

Koichi Yoshimoto, an official of the Ministry for International Trade and Industry, said, "There is nothing positive to show that demand will increase."

MITI also said that Japanese consumers, worried about job and pay prospects, spent 6.9 percent less at department stores and supermarkets in November than they did a year earlier.

SANCTIONS: U.S. Companies Use Overseas Subsidiaries to Evade Washington's Strictures

Continued from Page 1
 Libya supported terrorism, announced the sanctions.

But some of its work was picked up by Price Brothers (U.K.), the company's small British subsidiary.

Brad Evans, general counsel for Price Brothers, said the British operation got the work on its own and had been working on the project before sanctions were imposed.

Still, he acknowledged, the enforcement of U.S. sanctions, where it involves companies in Libya, has been loose.

"A lot of people created foreign subsidiaries in the one month between the time the Reagan administration declared sanctions and the time they went into effect," he said.

Coastal Corp., a Houston-based oil exploration company, has used a subsidiary based in Bermuda to go into business with Libya in an oil refinery in Germany.

Coastal has been under federal investigation for more than three years, according to law enforcement officials. But investigators say they have had trouble determining whether executives of the parent company are themselves involved in the German project, which would be against the law.

Officials of these companies said they did not believe they were violating the spirit of sanctions by doing business with countries the United States declares to be hostile to it. But some said the legal loopholes raised questions about the effectiveness of sanctions.

Law enforcement and intelligence officials said they believed that many executives of American companies did control the actions of their subsidiaries. But they said murky federal rules made it difficult to build cases. Is it illegal, for instance, for the top executive of a parent to give bonuses for successful work with Libya? Or to share new technology?

"We tell our people that if the subsidiary calls with a question about the Libya contract, just slam down the phone," Edward Dyson, a Washington lawyer who has advised Price Brothers and other companies, said.

R. Richard Newcomb, the senior Treasury Department official in charge of enforcing sanctions, said he could not comment on specific cases, including Cargill's.

"But forgetting about Cargill or any case," he said, "the U.S. parent may not be involved in any part of the transaction. It is clear. The subsidiary has to be acting totally on its own."

The best recent estimate of the American corporate presence in Libya, a 1987 study by the Treasury Department, concluded that 169 foreign subsidiaries of 80 American companies were doing at least \$265 million of trade with Tripoli.

In 1991, subsidiaries of American companies had more than \$700 million of trade

Rothmans Expands in Asia

Bloomberg Business News
HONG KONG — The British cigarette company Rothmans International PLC has signed an agreement with the American Tobacco Co. to distribute cigarettes under the Carlton and American trademarks in Japan, its Hong Kong-based subsidiary Rothmans (Far East) said Monday.

The 25-year agreement gives Rothmans' Japanese venture Rothmans Marubeni Tobacco Corp. the sole use of American Tobacco's two trademarks in Japan.

Rothmans also confirmed recent reports that a unit of its Singapore subsidiary, Rothmans of Pall Mall (Singapore) Pte., has entered into a joint venture to manufacture and sell cigarettes in Burma.

Rothmans Myanmar Holdings Pte. will take a 60 percent stake in the venture and The Union of Myanmar Economic Holdings the rest. The agreement is scheduled to last for 30 years and production is due to start in early 1995.

Rothmans will manufacture some of its trademark cigarettes under license.

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Herald Tribune

AMEX Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trading elsewhere. Via The Associated Press

12 Month High	Low	Stock	DV	Yld	PE	52Wk High	Low	Latest Clse
120	110	IBM	3.00	6.5	15	120	110	115
100	90	Microsoft	0.00	15	15	100	90	95
80	70	Apple	0.00	15	15	80	70	75

12 Month High	Low	Stock	DV	Yld	PE	52Wk High	Low	Latest Clse
100	90	Microsoft	0.00	15	15	100	90	95
80	70	Apple	0.00	15	15	80	70	75
60	50	Oracle	0.00	15	15	60	50	55
40	30	Amazon	0.00	15	15	40	30	35

India's Textile Industry

UPDATING METHODS AND PRODUCT MIX

What did Marco Polo, who visited India in the 13th century; Vasco da Gama, who traveled there in the late 15th century; and the British, who ruled India from the 17th century into the 20th century, have in common? They all extolled the quality of India's textiles.

Today, India is the world's second-largest producer of yarn and cloth and the fourth-largest producer of cotton. Yet despite these accomplishments, India's textile industry has failed to capture a dominant share of the global textile market. Textile exports from India have grown by 35 percent during the past five years, to total around 25

Assets include ample supplies of cotton

percent of the country's total export earnings of \$19 billion. But India is facing increasingly stiff competition, even from smaller countries like Bangladesh and Sri Lanka.

The Indian textile sector has 17 percent of the world's spindle capacity, but India's share of the global textile market is only around 2.5 percent. Hrishikesh Mafatal, head of Mafatal Industries and chairman of the Bombay Mill Owners Association, explains the reason for this discrepancy: "Only 20 percent of our machines are less than 10 years old, whereas in most other countries, around 70 percent of the machines are less than 10 years old."

Much of the failure of India's textile industry to achieve its potential has been ascribed to restrictive government policy in the past. Among the criticisms leveled against the government concerning textiles are that it instituted laws that discouraged the growth of large companies in favor of smaller ones, prevented layoffs, imposed restrictive import duties on textile machinery and did not encourage the growth of textile exports. Incentives and protection offered to the country's hand-loom companies have also been criticized.

Efforts are now under way to modernize the industry by upgrading equipment, restructuring the sector as a whole and promoting the growth of textile exports.

India's textile industry has traditionally been composed of three different types of companies: large textile mills, smaller companies that use both power looms and hand looms, and still smaller companies producing garments and household textiles.

The large textile mills, which total just over 1,000, employ around 7 percent of India's textile workers and account for around 18 percent of India's fabric production. These mills, many owned by the government, had garnered around 78 percent of the domestic market in the 1950s but have been steadily losing ground in recent

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Debashis Basu, a free-lance writer based in Bombay where he is a consulting editor for Business Today.



Weaving fiber into fabric: New government policy will ease the process of upgrading equipment.

years, at the rate of around 15 percent of market share per year, according to Sri Ram Khanna, a textile industry analyst.

A lack of modern equipment, added to labor unrest and the effects of global recession, caused many of the larger textile companies to experience severe problems during the 1980s. At that time, many were taken over by the government and controlled by the government-run National Textile Corporation (NTC). NTC has now accumulated losses of almost \$1 billion and is a major stumbling block in the government's efforts to promote the growth of India's private sector.

The larger companies have seen their market share eroded by smaller power-loom and hand-loom textile companies. These companies now produce 80 percent of India's fabrics and employ 80 percent of the country's textile workers.

Of this group, some 300,000 companies using a total of 1 million power looms and employing a third of the textile work force are now producing 54 percent of India's total textile output of yarns, garments and fabrics, according to Mr. Khanna. The sector has been criticized, however, for its overall lack of sufficient quality control.

A diverse group of companies use only hand looms, which have been part of India's culture for centuries. The government has been keeping this part of the sector afloat by exempting it from sales and excise taxes, limiting 22 textile products to production by hand looms alone, guaranteeing government purchases of some goods and pro-

viding a distribution network. The sector is widespread, fragmented and economically vulnerable.

Garment production forms the third major division of India's textile industry. This sector began to grow in the 1940s, producing military uniforms used during World War II. It received its biggest boost in the 1980s, according to Mr. Khanna, through increased export opportunities and a growing domestic market.

Government policy has limited the garment sector to small-scale companies; 80 percent of them run fewer than 20 machines.

These three divisions of India's textile industry have all failed to modernize their equipment and production methods adequately, largely because of the high costs of importing equipment.

According to Mr. Khanna, more than 60 percent of the equipment being used throughout the industry dates from before 1960, providing a great opportunity for foreign producers of textile equipment to help upgrade the industry. Despite the problems, many textile-industry executives are hopeful about the future of the industry in India.

International investors, attracted by a recent government reduction of the machinery-import tax rate from 85 percent to 35 percent and by the new low tax rates for textile exports (from zero to 15 percent) are increasingly setting up joint ventures with Indian companies. Such ventures, in the long run, will help to modernize the industry.

And most analysts agree that India has two major advantages that can contribute to the growth of its textile industry: a trained labor force and ample supplies of cotton. Sanjay Lalbhai, managing director of Arvind Mills, one of India's largest textile companies, says, "We have tremendous potential if we can improve yields. We are the world's fourth-largest producer of cotton, with the biggest acreage under cultivation, producing the entire range [of cotton yarns], from coarse to very fine." He points out, however, that productivity levels are among the lowest in the world, averaging around 200 kilograms of cotton per hectare under cultivation.

The recently concluded General Agreement on Tariffs and Trade (GATT) has been particularly encouraging for India's textile industry, since the Multi-Fibers Agreement that allowed countries to impose restrictive quotas on textile imports will be phased out by 1995, according to the terms of GATT, which will make the lucrative U.S. and European markets accessible to Indian producers.

"The prospects for India's textile industry in the next 10 years are superb," says Kamal Ranka, whose family controls the Modern Textiles group of textile companies.

India's current textile exports now total over \$4 billion of the global \$248 billion yarn, fabric and clothing industry. "We can soon achieve exports of \$20 billion," Mr. Lalbhai says of the industry as a whole. He feels that further changes in government policy are necessary to stimulate the industry. Such changes, he believes, include overhauling labor laws that now overly protect workers, providing better infrastructure and simplifying the complicated rules and regulations that control the process of starting and running a business in India.

EXPORT GROWTH BOOSTED BY GATT

Textiles will account for 25 percent of India's total exports for the fiscal year ending in March 1994. But in spite of this success, various changes are necessary for India's textile industry to continue to grow.

The garment industry abroad wants its delivery time to be precisely 15 to 20 hours; they want the fabrics to come into the factory in the morning and go

Garment exports

to Japan rose by

\$80 million in 1992

straight to production without inspection. We must be ready with zero-defect fabrics," says Sanjay Lalbhai, managing director of Arvind Mills, one of India's most forward-looking textile companies. He adds that foreign buyers "do not want to wait for four months for the letter of credit to be opened and goods to be shipped out of India. This is not the way to do business."

More and more Indian textile exporters are beginning to agree with Mr. Lalbhai that India's textile industry cannot continue to operate in the outmoded ways it has been used to in the past; it must modernize in order to survive.

The phase-out of the Multi-Fibers Agreement beginning in 1995, as agreed under the terms of the recently concluded General Agreement on Tariffs and Trade (GATT), could not have come at a better time for Indian textiles. More than 60 percent of India's garment exports now go to countries whose restrictive quotas on textile imports, allowed under the terms of the Multi-Fibers Agreement, will be removed. According to trade analysts, India's annual textile exports would immediately grow from the current \$4 billion to \$7 billion if all quotas were removed.

Ready-made garments (RMG) bring in the most revenues of India's overall textile exports, followed by cotton fabrics, synthetic-fiber textiles, silk textiles and woolen goods. Most of India's cotton fabrics are now exported in an untaxed state, while the country's woolen goods cannot now compete in pricing and quality with supplies from countries like Australia and New Zealand.

India's RMG exports had risen to 17 times their 1963 earnings in dollar terms by late 1993 and the potential

for further growth is great. RMG is a labor-intensive industry, an advantage for India given its large pool of skilled workers and low wage scale.

India's power-loom sector and its garment exporters maintain close links. Since India's garment industry is confined by government regulations to small-scale operations, it relies heavily on power-loom companies that can supply small batches of fabric at short notice.

While this limitation on the size of RMG operations was advantageous in building export volumes quickly during the 1980s, it is increasingly being seen as a drawback for the next stage of growth, toward true globalization.

As Mr. Lalbhai says, "Globalization does not mean exports alone. Here in India, the garment industry is limited to small-scale operations. This is a major constraint. If large companies and brands were allowed to operate in India, the export thrust in RMGs would be amazing."

While the domination of Indian exports by RMGs is unlikely to change in the near future, changes in global opportunities and domestic cost structures, along with the growing availability of new skills and materials, are sure to alter the profile of India's textile exports in the future.

More and more textile manufacturers are realizing that it is more profitable to concentrate on high-value-added products and that there is a great need to form alliances with global players to improve know-how and skills.

"To break the vicious circle of low-cost structure producing low-quality products for low-end markets, the Indian textile industry will have to make heavy investments, and to recover such investments, we will have to make high-margin, i.e., value-added, products," Mr. Lalbhai says.

Forward-looking Indian textile companies like Arvind Mills, Bombay Dyeing, Modern Textiles Ltd., Mafatal Industries, and VXL India have realized this and are making efforts to update both their production methods and product profiles.

S.K. Birla, chairman of VXL India, says, "Our textile capacity is expected to double within three to four years with our modernization projects, which are already under way." The

Continued on page 15



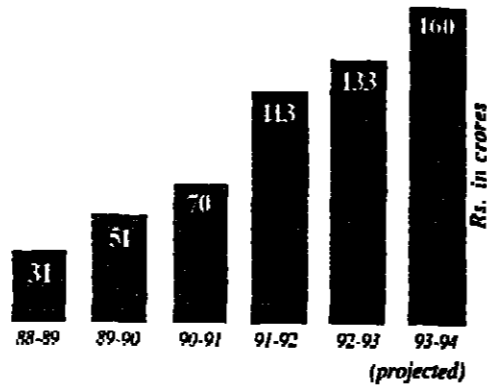
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Bombay Dyeing Export Performance

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India's Textile Industry

JOINT VENTURES HELPING IN DRIVE TO GLOBALIZE SECTOR

The most striking new trend in the Indian textile industry is the number of new joint ventures now being established between Indian companies and foreign textile brands.

Thanks to the present government's liberal approach to foreign investment, equity participation and brand licensing are becoming increasingly common. This past November, Arvind Mills began to produce Arrow shirts in India through a licensing arrangement with Cluett Peabody. The shirts are sold in exclusive Arrow showrooms at select locations in 10 cities. Arvind soon plans to launch production and distribution in India of Lee jeans. Stencil Apparels similarly joined

with Lacoste in a project to produce and sell Lacoste polo shirts in India. Other such ventures are reportedly in the works, including ones involving Benetton and Hugo Boss.

Even non-textile companies in India are rushing to form alliances with foreign garment and textile producers in what is seen as a par-

Labor accounts for only 5% of production costs

ticularly promising market. According to reports, ITC Ltd., India's largest tobacco company, is negotiating with Triumph of Germany, Reebok of the United States and Marzotto of Italy to produce and market these companies' menswear in India.

The Eicher Group of India, which derives most of its revenues from the automobile sector, is reportedly in negotiations with Samsung of North Korea to jointly produce low-cost men's suits for export to wholesalers.

"At last the time has come for joint ventures in textiles. This was not possible two years ago," says Hrishikesh Mafatlal, managing director of Mafatlal Industries. "Textiles were considered low-technology and the sector was therefore insulated and isolated from world markets. No imports of fabrics or yarn were allowed. The new policy of direct foreign investment has given [the Indian textile industry] a much larger scope. Value-addition for fabrics through brands is the logical extension," he adds.

Mr. Mafatlal feels that the trend toward joint ventures has gathered added momentum because India's adoption of new policies concerning joint ventures coincides with the fact that more and more textile companies throughout the world are choosing to set up operations in Asia.

India offers investors low-cost labor; in fact, labor accounts for only 5 percent of production costs in India compared to 50 percent in Europe. Attracted by such a financial advantage, NF Corporation of the United States has negotiated an arrangement to produce ladies' lingerie and casual wear in India, all for export, and Mafatlal Industries is setting up three new export-oriented joint ventures with foreign partners. The first of these is with Schiesser of Germany to make knit-wear, undergarments, T-shirts and boxer shorts. The second project, with Gruppo La Ferla of Italy, is for the manufacturing in India of shirts, blouses and lingerie, while the third will concentrate on hospital and industrial garments in collaboration with IGP Holdings Ltd.

While some of the new joint ventures are geared to producing garments for export, an increasing number are also hoping to exploit the purchasing possibilities of India's huge middle class.

And some foreign companies are entering the market on their own, without local partners. One such example is the Levi Strauss Co. of the United States, which soon will be marketing its jeans throughout India.

COMPANY DOUBLES TURNOVER

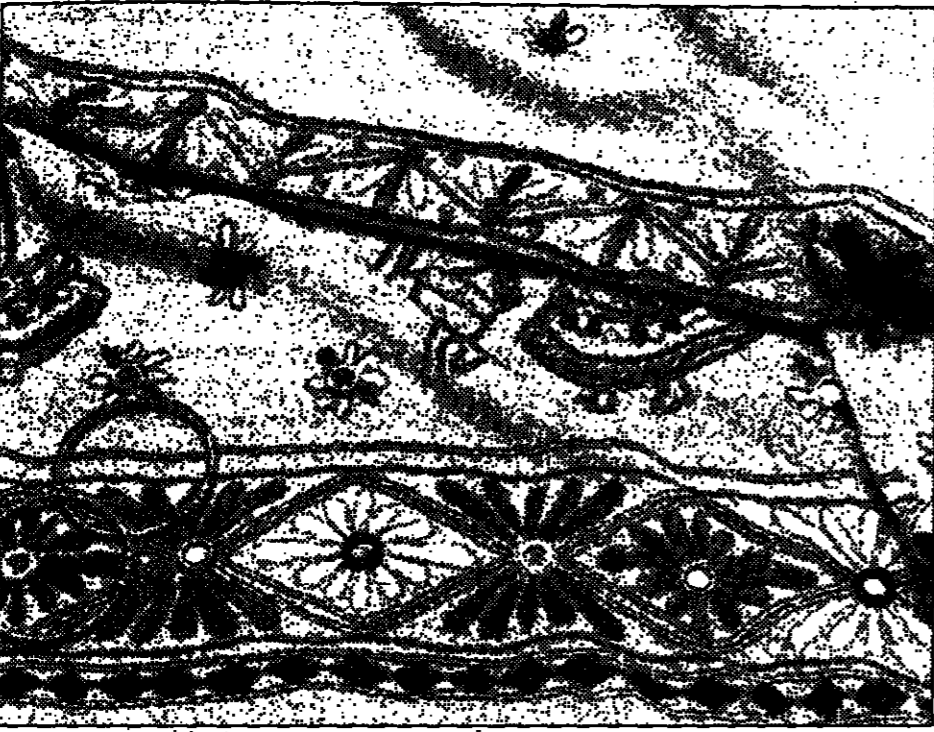
Arvind Mills Ltd., a long-established Indian company, has experienced rapid growth during the past five years: its annual turnover rose from 1.5 billion rupees (\$483.8 million) in 1988 to 2.8 billion rupees for the fiscal year ending March 1993. The company's after-tax profits rose during the same period from 41 million rupees to 414 million rupees. It is profiting from its efforts to modernize its production facilities and procedures as well as its management style.

Its specialty is denim. Arvind will be producing 45 million meters of the fabric per year by April 1994, compared to 3.6 million meters in 1987. This constitutes an annual compound growth rate of 43 percent, making Arvind one of the

largest denim producers in the world. It has an 80 percent share of the denim market in India, as well as 27 percent of the cotton shirt fabric market.

Arvind has sought the services of management consultants McKinsey & Co. in putting together a global strategy. Its aim is to go beyond its current practice of manufacturing in India and marketing abroad. "We want to manufacture our products globally. We want to transform textiles into an international business by geographic penetration, expanding into new but related segments of the textile chain," says Sanjay Lalbhai, managing director. One of the company's first overseas operations will be in Sri Lanka; and it is establishing offices in Hong Kong, New York, London and Tokyo.

A wide variety of woven goods in intricate patterns has made Indian textiles prized for centuries.



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EXPORT GROWTH BOOSTED BY GATT PROVISIONS

Continued from page 14

company has for the past four years won the highest award for export quality from India's Wool and Woolen Export Council. Mr. Birla cites woollens and men's garments as particularly fast-growing product categories.

Another emerging area of growth concerns terry-cloth towels. These are mainly manufactured by power-loom and hand-loom operations, which produce a total of 20,000 tons of terry cloth per year. Indian entrepreneurs have discovered that good-quality terry-cloth towels can be a lucrative export. Over the past three years, a dozen new plants have opened, all dedicated to exports. At full capacity they could be turning out a total of 18,000 tons of terry cloth per year.

According to Kamal Ranka, whose family controls the Modern Textiles Ltd. group of textile companies, "Until recently, India was exporting low-



S.K. Birla, Chairman, VXL India

quality towels manufactured by mills based in southern India. But now plants geared to the export [of higher-quality products] have been established."

Modern Textiles has opened a spinning, weaving and finishing plant for fine cotton towels and intends to market its products aggressively.

According to Mr. Ranka, "Knitted cotton garments have the best export prospects, followed by woven cotton fabrics and garments and cotton yarns." Until recently, India's knitted cotton fabrics and garments

were manufactured by small businesses with limited means for quality improvement, but that will change, Mr. Ranka believes.

Other expanding textile companies are also positive about the future of the industry in India. Bombay Dyeing, which had exports totaling \$15 million in 1989, will have exports of \$50 million for the fiscal year ending March 1994. "More than 50 percent of

our turnover is being earmarked for exports," says a company spokesman, adding, "We have spent about \$50 million over the past four years on modernization in order to manufacture good-quality products for the export market."

The company is upgrading its product mix and developing its value-added, fully processed products. It is currently negotiating with department stores and mail-order houses in highly developed markets like

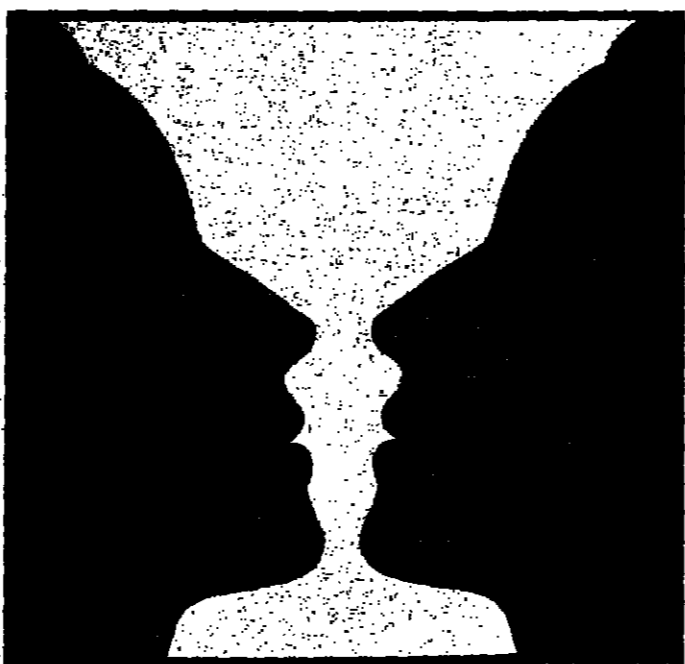
the United Kingdom, Switzerland, Australia, Canada, France and Germany in a move to expand its export base.

Hrishikesh Mafatlal, managing director of Mafatlal Industries, has been scouring the world for new markets, products and alliances.

He reports that he is now demanding and getting better prices from British and Japanese importers for products like cotton voile and processed shirt fabrics.

India exported garments worth a total of \$100 million to Japan in 1992, a huge increase over the \$20 million in garments exported there that was reported in 1991. India's exports to Australia doubled in the same period, while those to Switzerland increased five-fold. Exports to the United Arab Emirates also rose.

The GATT agreement should allow for increased exports in the future, particularly to Europe and the United States.



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SPORTS

With Winter Games Just Around Corner, Lillehammer Fine-Tunes

By William E. Schmidt

NEW YORK TIMES SERVICE
LILLEHAMMER, Norway

The town's steep-roofed wooden houses are blanketed with snow like a scene off a Norwegian Christmas card, and down at City Hall...

If we had to, I think we could start running the Games tomorrow, said Steinar Soerlie, the city manager in Lillehammer...

But for Olympic planners and just about everyone else in this town of 23,000 people, it is just as well that hundreds of thousands of spectators and journalists have not yet begun converging on Lillehammer...

After more than \$1.5 billion was spent in six years since Lillehammer was awarded the 1994 Winter Olympic Games, it has come down to the details here. It is a measure, perhaps, of Lillehammer's state of

The Olympic committee wants to put inside the arenas informational signs that are painted with a greenish background; Lillehammer's fire marshals say the Olympic green looks too much like the green

The one imponderable is how well Lillehammer will be able to absorb the daily surge of some 150,000 people.

The women's downhill, for example, was moved from Hafjell, about nine miles (15 kilometers) north of Lillehammer, after complaints from competitors that it was too easy...

much of the last year to fine-tune their planning for the Games. The Olympic stadiums and sporting sites, scattered over five communities in the valley, were not only finished more than a year ago, but they have already been tested in competition, resulting in some adjustments.

preparedness that municipal officials and Olympic organizers are reduced these days to arguments about the color of signs, which seems to be the hottest current dispute around town.

used in public buildings in Norway to mark fire exits.

For their part, Lillehammer's Olympic organizers have used

rearranged, too, adding a new turn in the final stretch to provide a better angle for both spectators and television cameras.

At the same time, the cross-country ski events through the woods above Lillehammer will be opened, free of charge, to any spectator who wants to ski out to watch from a place alongside the track...

yet for a winter Olympiad — a good head start.

Locals say this December has so far been the snowiest anyone can remember, with nearly three feet on the ground in town.

But the case imponderable is how well Lillehammer will be able to absorb the daily surge of some 150,000 Olympic-bound spectators, athletes and journalists, who will descend on the town by not only bus and car, but express trains arriving every 10 minutes from Oslo.

Norwegian school children will be given a two-week holiday during the Games, not so much so they can watch, but because the Olympic organizers need their school buses to help move people around Lillehammer.

2 Players Acknowledge Extortion

By Lisa Dillman and Helene Elliott

LOS ANGELES TIMES SERVICE
INGLEWOOD, California

Alexei Zhitnik of the Los Angeles Kings has acknowledged that he was the target of extortion last summer when he was at home in Kiev, Ukraine.

The second-year defenseman said the threats from an organized crime group in the former Soviet republic were verbal, rather than physical.

Zhitnik's candor was surprising because many National Hockey League players from the former Soviet Union have been reluctant to discuss alleged incidents with the so-called Russian Mafia.

Team executives and the Kings' coach, Barry Melrose, are so concerned that they have urged Zhitnik not to return to Kiev this summer.

"I have little problem with Russian Mafia," Zhitnik said. "They say things like, 'Blow up your car.'"

Zhitnik, 21, said neither he nor his twin brother, Dmitri, were harmed. He said he did not pay the gangsters.

"If you pay the first time, the next time you pay much more," he said. "But my friends helped me. Like the police, the cops can't do nothing. No rules. No laws."

Alexei Kasatonov, a defenseman for the Anaheim Mighty Ducks, who is from St. Petersburg, said the extortion schemes involved "not just a couple of players."

"It's every sports people who have money," he said. He said he had not been approached, but had spoken with several players who had been threatened, including his former New Jersey Devils teammate, Alexander Semak and Valeri Zhelezniy.

"It's like America had Al Capone," Kasatonov said. "Now, there's so much illegal groups there, big and little."

Wings, urged Fedorov to bring his family to the United States before signing a four-year, \$11.7 million contract that makes him the NHL's highest-paid Russian player.

Zhitnik's mother, father and brother live in Kiev, and Zhitnik said he talked with them once a week. His father, Nikolai, when contacted in Kiev, said the family had not had any problems with gangs.

"For my parents, it's nothing bad," Alexei Zhitnik said. "They are like normal people. Fifty-six, fifty-seven."

He said he was at bigger risk because "I go to different places, restaurants, discos."

Lombardi said the Sharks had heard that threats had been made to Alexander Cherbayev, the team's third pick and 51st overall in last June's entry draft, but he was unable to confirm any incidents.

"I asked the kid and he said no," Lombardi said, "but this is 1930s Chicago stuff, and it wouldn't have been smart for him to talk about it."

Melrose also said NHL scouts were so fearful of becoming victims of crime in Russia that the world junior tournament was moved from Russia to the Czech Republic.

Although Zhitnik discussed his situation, Pavel Bure of the Vancouver Canucks continued to deny stories in the Vancouver Province newspaper that he had made two payments to ensure the safety of his family.

"I never heard about it," he told the newspaper, "but I'm not worried about it until they ask me."

Rockets Get Back to Winning

The Associated Press

Kenny Smith made sure the Houston Rockets did not make losing a habit.

Strung by a four-point performance in a 20-point loss to Phoenix on Christmas Day, Smith scored a career-high 41 points on Sunday night as the Rockets routed the Los Angeles Lakers, 118-93.

"My main goal was to come out and be assertive," said Smith, who made 16 of 24 shots. He called the previous game "an embarrassment to our whole team and for myself."

"I told Vernon Maxwell, 'That's it, that's the last game you're going to see me play like that. If I'm going to go down playing, it's going to be my last game.'"

Smith scored 15 points in the final period as the Rockets, who won 22 of their first 23 games before two double-digit losses to Denver and Phoenix, pulled away from the Lakers by outscoring them, 38-27, in the fourth quarter.

Smith and Hakeem Olajuwon got 22 of Houston's first 26 points in that period. Olajuwon, with nine points in the quarter, finished with 17 points and 14 rebounds.

The Lakers' coach, Randy

Pfund, had a simple explanation for the blowout: "Obviously, they're a better basketball team than we are."

Warriors 108, Trail Blazers 106: It took an overtime but Golden State beat host Portland for the first time in 10 tries behind Latrell Sprewell's season-high 33 points and Chris Webber's 24.

Billy Owens' jumper gave the Warriors a 99-97 lead at the start of the extra period, and they did not lose it again.

Spurs 99, Celtics 85: David Robinson scored a season-high 46 points as San Antonio handed Boston its seventh consecutive road loss and fifth straight defeat overall.

Robinson made 16 of 26 shots from the field and 14 of a career-high 23 attempts from the free-throw line to pull into a virtual tie with Shaquille O'Neal for the NBA scoring lead. O'Neal's exact average is 28.600 and Robinson's 28.593.

Boston was led by Xavier McDaniel with 18 points, but Dino

Radja (0-for-14 from the field) and Acie Earl (0-for-1) were scoreless.

Heat 109, Kings 93: Miami beat Sacramento for its fifth straight victory, outbounding an opponent and holding the other team under 100 points for the sixth straight game.

Brian Shaw, a reserve guard, scored a season-high 20 points, and Steve Smith had 23 for the Heat. Mitch Richmond had a season-high 38 points for the Kings, who lost for the 13th time in 15 games overall and for the 10th time in 11 road games.

Nets 91, Hawks 87: New Jersey extended its home winning streak to four as Armon Gilliam, starting because of Derrick Coleman's stomach virus, got 18 points and 13 rebounds.

Dominique Wilkins scored 23 points and Kevin Willis had 20 points and 10 rebounds for Atlanta, which lost its second straight after winning 16 of 17.

Cavaliers 107, Pacers 103: Mark Price, who had 16 assists, scored seven of his 21 points in overtime, putting Cleveland ahead with an 18-footer with 28 seconds left against visiting Indiana. The Cavaliers also got a season-high 27 points from Brad Daugherty.

Gartner Gets 600th Goal In the NHL

The Associated Press

Mike Gartner became the sixth player in NHL history to score 600 goals with the first of his two during an 8-3 victory over the New Jersey Devils that extended the New York Rangers' unbeaten streak at home to 15 games Sunday night.

Gartner also had an assist on one of two goals by Sergei Nemchinov. Alexei Kovalev had a goal and three assists and Sergei Zubov added three assists for the Rangers, who now lead the NHL with 25 victories and 53 points.

Kings 3, Mighty Ducks 2: Pat Conacher scored twice and Shawn McEachern got the tie-breaking goal late in the second period as Los Angeles won its first regular season game in nearly Anaheim Arena.

But the Kings' Wayne Gretzky, who has slipped behind Detroit's Sergei Fedorov in the NHL scoring race, left the ice without a goal or assist for the fifth time in six games. The 10-time NHL scoring champion and all-time leader in points has not scored a goal in either of the two games against the Ducks.

Whalers 3, Senators 2: Alexei Yashin forced overtime by scoring with 10:22 left in the third period and forward Geoff Sanderson's second goal extended Hartford's winning streak to four games, its longest in two seasons.



Mike Gartner responding to the cheers that followed his 600th goal.

Brindabella Forges On as Gales Cut Field by 16

Compiled by Our Staff From Dispatches

SYDNEY — The Australian pocket maxi Brindabella remained on pace Monday evening to break the 18-year-old record in the Sydney to Hobart yacht race, but its two closest rivals had been forced to drop out by gale force winds and rough seas.

Brindabella, skippered by George Snow, held a 37.4-nautical-mile (69-kilometer) lead over Maxi Ragamuffin, which was 8.9 nautical miles ahead of Hammer of Queensland.

The high-tech U.S. yacht Caspiopa, skippered by Charles Burnett III, was in second place when it suffered gear damage. Amazon was a close third when its sails were torn. Both turned back for Sydney.

The 45-foot (14-meter) Oz Fire retired from the race because of mast damage early Monday, while the seven crewmen on the 33-foot Cwyd were rescued from their yacht when it hit a submerged object, filled with water and turned turtle off the south coast of New South Wales.

It was the first time a yacht had sunk in 49 Sydney to Hobart races.

"There was a big bang and about five minutes later we found her filling up, so we went into the abandon ship mode," said skipper Craig Escott.

Four yachts that sighted its flares sailed toward the Cwyd and the crew was picked

up from their life raft about 60 miles east of Bateman's Bay by the boat Nynja Go.

The race record for the 630 nautical miles is held by American Jim Kibroy, who took Kila II to Hobart in 2 days, 14 hours, 36 minutes in 1975. Kibroy was helped by trailing winds averaging 20 knots.

Brindabella enjoyed favorable winds for the first 30 hours of the race, but weather forecasters said she was heading straight into 30- to 40-knot headwinds that were whipping up four- to five-meter waves.

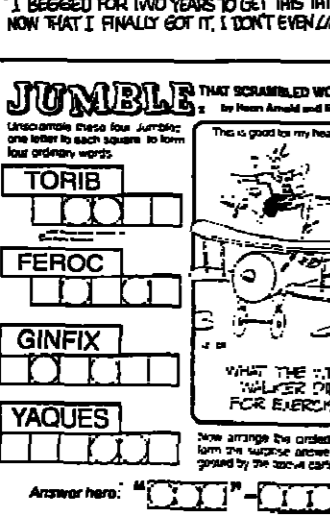
Brindabella had led 105 yachts out of Sydney Harbor on Sunday, but 16 already had retired by Monday evening. (AP, Reuters)

On Storgatan, Lillehammer's pedestrian mall, the peddlers who hawk Olympic pins are folding up their stands by sundown, which these days comes before 3 P.M.

Olympic rehearsals are finished for the holidays, too. Despite the rain, more than 500 local people had turned out in the slash ahead of the town for what was supposed to be the first full-dress practice of the opening ceremonies.

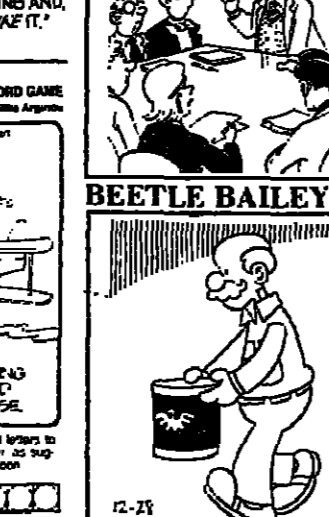
Because of the weather, the organizers not only told everyone to leave his customers at home, but also abandoned one more test of that has already been described as the ceremony's most daring special effect: the airborne entry of the Olympic torch, held tightly in the grip of a Norwegian ski jumper who will soar into the stadium off the 60-meter hill. In rehearsals so far, say Olympic planners, the torch has stayed lit every time.

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CALVIN AND HOBBES



SPORTS

Florida State Has Numbers on Its Side

By Ken Dentinger
Washington Post Service

WASHINGTON — The homecoming to Florida State and its coach, Bobby Bowden, usually appears about this time of the year: "Best college team in the country," "Nation's best college coach," "Tom Osborne, the thing that amazes me," said Nebraska's coach, "Tom Osborne, is that they lost three or four key players" — mostly on defense — and still are every bit as talented as last year. The last six or seven years they've been the most consistent team in the country. Kind of like the Buffalo Bills — been there every year.

At one point this season, linebacker Derrick Brooks had scored more points than had all the Seminoles' opponents. Bowden said he'd found a way to end up with the football on defense and run it into the end zone.

"I think about a shutout every practice," Brooks said.

Bowden was reminded that this could be a unique year for his family, what with son Terry winning many coach-of-the-year honors for leading probation-saddled Auburn to an unbeaten season and him with a chance at a national championship. Bowden admitted that was so, but said there had been a more memorable year: 1975.

"My last year at West Virginia," he said, "I played in the Peach Bowl. Tommy (another son) played a key role for us that year as a player, helping pull us out of a disaster the year before."

West Virginia went from 4-7 in 1974 to 9-3 — and Bobby Bowden was off to Florida State. Now 64, he has said he thought Florida State would be a stepping stone to Alabama or, ironically, Auburn. Instead, he found himself with a motherhood of high-school talent — and has won at least 10 games in each of the last seven years. He and his players now have the chance at the captaincy of their college careers.

He was saying during a conference call the other day: "So many (coaches) have stated they'll be glad when he (Bowden) finally wins it all and we can get back to playing football — I'd never realized the feeling was so strong."

In the last six final Associated Press polls, the Seminoles — now ranked No. 1 — have finished second three times, third once and fourth the other two times. They are unbeaten in their past 11 bowl games, yet have not been involved in the national championship competition — until Seminoles' Orange Bowl game against undefeated and No. 2-ranked Nebraska.

To make his case this year for Florida State as No. 1, start with two overwhelming facts: It has scored more points (518) than any other team in the country; it has allowed fewer points per game (9.4) than any other team in the country. Only three other teams in National Collegiate Athletic Association history has that happened.

"They even look good just standing around in their uniforms," said Mel Kautman, a scout for the NFL's Washington Redskins.

What makes the Seminoles special?

"Speed," said Kansas' tight-ends coach, Tim Phillips. "Those Jayhawks lost to Florida State by 42 points in its home opener, and lost to Nebraska by one point nine games later."

"Incredible speed," said Kautman.

"Ability-wise, man for man, they're the best team in the country," said Miami's defensive coordinator, Tommy Tuberville.

So how come they lost, by seven points, to Notre Dame?

"Didn't run their offense the first half," said Tuberville, referring to a 21-7 deficit in Notre Dame Stadium. "Tried to 'kick 'em," with a halfback pass to a wideout in the first quarter that went incomplete and a halfback pass to quarterback Charlie Ward in the second quarter that lost 14 yards.

Ward is on a terrific run. He won the Heisman Trophy one Saturday and picked up his degree the next. Tuberville says Ward "has the quickest first two steps of any quarterback I've ever faced. He truly is the difference between us, Nebraska, Florida and West Virginia."

Including Ward, the Seminoles have 10 players with at least a four-yard rushing average. Also including Ward, the Seminoles have 12 players with at least a 10-yard receiving average. Ward's two back-

ups have completed more than 70 percent of their 84 passes. Despite playing one more game, the Seminoles have punted 11 fewer times than Nebraska.

That's the offense. The defense is at least as good.

"The thing that amazes me," said Nebraska's coach, "Tom Osborne, is that they lost three or four key players" — mostly on defense — and still are every bit as talented as last year. The last six or seven years they've been the most consistent team in the country. Kind of like the Buffalo Bills — been there every year."

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ORANGE BOWL

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WASHINGTON — May it please the court, Nebraska will like to correct the record by introducing evidence that, it hopes, will remove at least a bit of the prejudice that seems to be oozing from the jury deciding who is No. 1 in college football.

Yes, it's true the Cornhuskers have lost their last six bowl games, and all but one by at least 13 points. But...

The lower-ranked team in every game, and each of the six teams that beat them finished no lower than second in at least one of the final polls.

"Bo Schenbeckler lost something like 12 of the 17 bowls he was in, and Bear Bryant lost eight straight at first," said Nebraska's coach, Tom Osborne. "I've never felt either of them was inept."

And what does that have to do with 1993?

The fact that everybody — other than Osborne's coaching peers —

tends to dismiss the unbeaten Cornhuskers — ranked No. 2 — as a bunch of stumblefooted dust grabbers literally out of their league against anyone outside the Big Eight. One Las Vegas handicapper even said that at least 10 teams are better than Nebraska.

Well, Nebraska's schedule was ranked the 25th toughest in the country by the National Collegiate Athletic Association, and the schedules of six other Big Eight teams were among the top 35. Included among the Cornhuskers' victims were: No. 14 UCLA and No. 17 Colorado on the road, plus No. 20 Kansas State and No. 19 Oklahoma at home, the latter in front of the 195th consecutive sell-out at Memorial Stadium.

"Our first-team defense only gave up three passing touchdowns all year," said junior cornerback Barron Miles. "We shut (UCLA's) J.J. Stokes and (Colorado's) Charles Johnson off — and they're all-Americans."

But Nebraska Can Count Its Blessings, Too

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SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE		WESTERN CONFERENCE	
Team	Pct	Team	Pct
New York	.739	Portland	.652
Orlando	.720	Phoenix	.621
Atlanta	.700	San Antonio	.583
Boston	.693	Utah	.583
New Jersey	.688	Denver	.583
Philadelphia	.688	Dallas	.583
Washington	.688	Seattle	.583
Charlotte	.688	Phoenix	.583
Cleveland	.688	Portland	.583
Indiana	.688	San Antonio	.583
Detroit	.688	Utah	.583
Milwaukee	.688	Denver	.583

HOCKEY

EASTERN CONFERENCE		WESTERN CONFERENCE	
Team	Pts	Team	Pts
New York	52	Calgary	47
Pittsburgh	47	Edmonton	47
Philadelphia	47	Los Angeles	47
Washington	47	Vancouver	47
Atlanta	47	San Jose	47
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ART BUCHWALD

Honor on the Campus

WASHINGTON — The news from Cambridge, Massachusetts, is that 83 percent of all the undergraduates at MIT cheated at least once in their college careers.

What puzzled me about the survey was not that 83 percent cheated — but that 17 percent didn't.



I went to the campus to talk to the non-cheaters. They were huddled off in a corner, and none of the cheaters would have anything to do with them.

How come you didn't cheat while you were in school? I asked. David Moskowitz replied, "No one taught us how."

Jane Mitchell said, "You learn cheating from your parents. I came from a happy home, and there was nobody around who knew how to beat the system."

Fred Calabash said, "I once asked my father if winning was everything. He replied, 'No, it isn't.' I figured that he didn't know what he was talking about so I ran away."

"It seems to me that you're blaming your parents for not cheating. Can't you put some of the responsibility on yourself? Let's say your folks refused to teach you how to lie, cheat and steal. Why didn't you go to your friends?"

Zelda Claghorn said, "That's easy for you to say. But I was afraid of getting caught."

"What's to be afraid of? Everyone in the country cheats. Defense contractors cheat, congressmen cheat, bankers cheat, the White House cheats, and people driving leased automobiles cheat. The purpose of college is to teach you that cheating is a way of life in the United States. You people better start doing it right away if you hope to survive in a capitalist society."

David Moskowitz was adamant, "I've never plagiarized anything in my life."

"It's not too late to start now," I yelled at him. "What about the honor code?" Carisa asked.

"It's a good thing as long as no one is found out. But if you're brought up on charges it breaks up fraternity houses."

Redfern said, "I know some people who were honest and still finished school."

"And I know people who walked on the moon. The question is, 'How many?'"

"Do you think that cheaters should be punished?" Margot asked.

"I'm not sure," I replied. "I asked the dean if cheating is the worst thing that a student could do, and she replied, 'No. Attempting to park in the faculty parking lot without a sticker is a lot worse.'"

"Cheating is rampant on all campuses," Miller said. "MIT is just the tip of the iceberg."

"MIT is a good school," I assured him. "Their exams are very difficult. You have to do everything you can to pass."

"Do you think that they'll kick us out of school for not cheating?" one of the students asked me.

"They'll probably give you a warning first. If you continue not cheating, they will be forced to take action."

Blanford said, "I wish I had my academic life to live over again."

"Why? I wanted to know."

"I'd put all my math test answers on my French cuffs."

Whoa! How Actors Earn Their Spurs

By Joel Engel LOS ANGELES — Halfway into Walter Hill's "Gerónimo," a cavalry officer named Lieutenant Charles Gatewood (played by Jason Patric), is challenged to a duel on horseback by an angry Apache.

The Indian, firing his gun wildly, charges toward him. The lieutenant sits impassively for a while, then yanks his horse's head to the side, apparently causing the animal to fall.

Now, with a big horse to lie behind, he returns fire. The battle won, he kicks the horse to his feet and — somehow — gets on in the process.

Patric, not a stunt double, performs the breathtaking maneuver. So one might assume that the actor was an experienced horseman.

"He didn't know how to ride," says Rudy Ugliand, who, as the film's head wrangler, was responsible for the horseback sequences. Patric learned his skills at Ugliand's ranch north of Los Angeles, where the wrangler keeps up to 80 horses for movie productions.

Ugliand, who is 55, says there were about 700 wranglers in the business when he began riding in television westerns in 1956. "Every television show was a western," he says. "Now there may be 35 active wranglers making a living."

Their fortunes have turned upward since "Dances With Wolves" in 1990. That epic seems to have sparked a number of films — even television shows like "Dr. Quinn, Medicine Woman" — that require riding.

In fact, anything set before the turn of the century may use wranglers. This year horses have played a part in "Somersby," "Much Ado About Nothing," "The Ballad of Little Jo," "Into the West" (a contemporary film set in Ireland), "Gerónimo," "The Three Musketeers" and "Tombstone," among others.

Next year, with its bonanza of westerns, promises to be even more horse-packed. Ugliand has just finished work on the movie version of "Maverick," starring Mel Gibson and James Garner. Jon Lovitz and Dana Carvey will ride in a comedy called "Tucson." Lovitz and Billy Crystal will make an appearance in "City Slickers 2."

Kevin Cosner will star in Lawrence Kasdan's "Wyatt Earp," coming next summer. Two movies detailing the life of Wild Bill Hickock are due. Rob Lowe plays Jesse James in "Frank and Jesse," now in production. Luke Perry will play a rodeo champion in "Lone Star." "Outlaws," with women in the saddle, has been filmed. "Bad Girls," billed as an all-female western, is scheduled

for release in the spring. And Sharon Stone is now shooting "The Quick and the Dead," another western.

"These things are cyclical," Ugliand says of the gaggle of oaters. In nearly four decades of wrangling, Ugliand claims he's never met an actor he couldn't train to ride. Apparently, he never met Charlie Sheen.

In the recent "Three Musketeers," Sheen was called upon to look comfortable in the saddle. He was far from it, said the director, Steven Herek, describing a scene in which the four principals — Sheen, Kiefer Sutherland, Oliver Platt and Chris O'Donnell — ride off into the distance.

"Everything was great," Herek says. "Then, all of a sudden, we hear these expletives and 'Whoa, whoa, stop!' Immediately, we knew who it was."

Sheen had announced even before filming that he was phobic about horses; the horses in turn seemed unwilling to do what he wanted. Assistant wranglers had to catch Sheen, whose horse was running away with him. After that, he refused to repeat the scene, forcing Herek to use a stunt double.

"The Three Musketeers" was Herek's first experience with horses, and he found it both amusing and frustrating. The movie's Spanish mounts, which the director had been told were the finest, turned out to be too smart for their own good. They began galloping every time Herek yelled "Action!" Eventually, he had to substitute a word like "banana!" or use a hand gesture.

"Our biggest problem wasn't getting them to move," he says, "but getting them to stand still."

The Musketeers spent days honing their horsemanship, but Ugliand says neither Jack Nicholson nor Marlon Brando put in many hours on horseback preparing for a film he worked on nearly 20 years ago, "The Missouri Breaks." Instead, he said, when the time came they simply acted like great riders.

By contrast, "Jason Patric came out here every day for two months" and practiced on a quiet horse, Ugliand says. "Riding is balance and rhythm. He's a good athlete, so he learned quickly."

Seeing that Patric had mastered his first horse, Ugliand suggested one with more spirit and intelligence, a 6-year-old named Whiskey. "He's not one of my easier horses, but he's always alert, real responsive. Jason liked the looks of him and wanted to ride him in the movie."

Ugliand eventually showed Patric how to make Whiskey collapse to the ground, a trick he'd only recently taught the horse.



Andie MacDowell, left, and Drew Barrymore in a scene from "Bad Girls," and Kurt Russell in "Tombstone" — there will be a bonanza of westerns in 1994.

When Patric performed the maneuver for the director, the script was altered to include the scene. It takes months to teach a horse to drop down, Ugliand says. The process begins with pulling their heads, then making them fall to one knee, then getting them to lie down and finally rolling them over. "As long as you don't hurt them, they don't mind," he said. The horse responds to a signal — a tug on a cable (hidden under the saddle) that is attached to the bridle.

The effect can be startling. In the 1989 film "Old Gringo," Jimmy Smits apparently shoots a horse out from under Gregory Peck. So convinced was the British Society for the Prevention of Cruelty to Animals that the horse had actually been killed that it banned Columbia Pictures from exhibiting the film in England.

Ugliand received a frantic call from the studio to confirm that he hadn't, in fact, shot the horse. Then the studio asked him

to prove it — to an English representative of the society. "She came out with a still camera," Ugliand recalls. He brought out Twister — the horse the society thought was dead. "I told her to snap the picture when I gave her the cue — she assured me she was a professional. Boom, down went Twister, just like he was shot. She never even pressed the button."

Twister lived to star in "Gerónimo," too. In that movie, Robert Duvall appears to take a tumble as Twister goes down, once again the victim of movie gunfire. Duvall's stunt double, Danny Costa, jokes that when the director yelled "Cut" the crew rushed in to insure that Twister had survived; only then did they check on him.

Joel Engel, whose biography of Gene Roddenberry, the creator of "Star Trek," will be published in the spring, wrote this for The New York Times.

PEOPLE

Broadway to Broke: Actress Goes on Welfare

Melba Moore, the Tony-winning actress and singer, has gone on public assistance in New York City, impoverished, she says, by her manager and former husband of 15 years, Charles Huggins. "I went on public assistance about three weeks ago, to make sure that I could get my back rent of two months paid," said Moore, who lives in a \$1,400-a-month apartment in New York with her daughter. "My husband embezzled all our marital assets, conservatively \$15 million." One of Huggins's lawyers said Moore and Huggins had agreed to make no comment on the dispute. Moore does not deny that, "but my only recourse is to speak out," she said.

Who's who in 1993: The 81-year-old Abbe Pierre, a priest and leading campaigner for the rights of the homeless, was France's man of the year in 1993, according to an opinion poll published Monday in the daily Le Parisien. ... With the pop hit "Jurassic Park" and the saga "Schindler's List," the film director Steven Spielberg was the entertainer of the year, according to Entertainment Weekly magazine. ... At 48, Neil Young could be the father of many rockers, but Spin magazine has named him artist of the year.

Who's who in 1994? Johnny Carson is working with some of his former "Tonight Show" writers to develop a prime-time special featuring Johnny and the Mighty Carson Art Players, according to TV Guide, which quotes former sidekick Ed McMahon as saying, "Johnny will be back in 1994."

Brightie Bardot is upset that a hotel in Tahiti plans to fill an aquarium with dolphins, but the French government says it can do anything about it. Bardot, who now runs a foundation in her name to defend animal rights, asked Michel Barnier, the environment minister, to prohibit the capture of the dolphins. But mainland French laws on animal protection do not apply to overseas territories.

INTERNATIONAL CLASSIFIED Appears on Page 6

Hollywood's Year Ends on Low Note

United Press International LOS ANGELES — Hollywood studios, lacking a holiday megahit, ended the year with a sense of pessimism. Though the year's box office receipts set up the \$5.03 billion record set in 1989, it will be far short of the \$5.3 billion total some had expected.

This winter saw only one real hit, Columbia's "Groundhog Day," after a sizzling summer, the best on record. Five films topped \$100 million and "Jurassic Park" became a cultural phenomenon with domestic grosses topping \$335 million and overseas hitting \$300 million.

Weather

Forecast for Wednesday through Friday, as provided by Accu-Weather. Europe: High 15-19, Low 10-15, Tomorrow High 16-21, Low 11-16. Asia: High 23-27, Low 18-22, Tomorrow High 24-28, Low 19-23. North America: High 14-17, Low 8-11, Tomorrow High 15-18, Low 9-12. Middle East: High 12-15, Low 7-10, Tomorrow High 13-16, Low 8-11. Oceania: High 24-27, Low 18-21, Tomorrow High 25-28, Low 19-22.

CROSSWORD

ACROSS: 1 They're plucked, 6 Busy as..., 10 Lake formed by Hoover Dam, 14 Eye, 15 Druid, e.g., 16 Presque-Me., 17 Close behind, 20 Chair plan, 21 Setter or retriever, 22 "Fables in Slang" author. DOWN: 3 Life many textbook publishers, 9 Adjective for Rome, 10 Calla growth, 11 Old gas brand, 12 Sleep like, 13 Excellent, in slang, 18 Cry of achievement, 19 Ancient capital of Macedonia, 23 Congo, 25 June in Hollywood, 26 Sister of Thalia, 27 Ark, 28 Sock, 29 Outing water, 30 Smeater, 31 Lip-puckering, 32 Hair-coloring solution, 33 — at Magistra (1961), 47 Tar, 48 Actor Gooding, 49 Glue, 50 Earth, 51 Bluefin, 54 Scot cat, 55 It's north of Neb., 57 Flying: Prefix, 58 TV exec, 59 Cape, 60 Colonus, 61 de deus, 62 Fork.

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